



17884201720100100

2017

Document Code: 201

ANNUAL STATEMENT
 For the Year Ended December 31, 2017
 OF THE CONDITION AND AFFAIRS OF THE
GERMAN MUTUAL INSURANCE COMPANY

NAIC Group Code	4787	4787	NAIC Company Code	17884	Employer's ID Number	34-4469685
(current period)		(prior period)				
Organized under the Laws of	Ohio		State of Domicile or Port of Entry	OH		
Country of Domicile	United States of America					
Incorporated/Organized	12/28/1984		Commenced Business	06/01/1867		
Statutory Home Office	1000 Westmoreland Avenue		(Street and Number)	Napoleon, OH, 43545		
Main Administrative Office	625 West Main Street		(Street and Number)	(City or Town, State, Country and Zip Code)		
	New Holland, PA, US 17557-0489		(City or Town, State, Country and Zip Code)	(717)354-4921		
Mail Address	PO Box 489		(Street and Number or P.O. Box)	(Area Code)(Telephone Number)		
Primary Location of Books and Records	625 West Main Street		(Street and Number)	New Holland, PA, US 17557-0489		
	New Holland, PA, US 17557-0489		(City or Town, State, Country and Zip Code)	(Area Code)(Telephone Number)		
Internet Website Address	german.goodville.com					
Statutory Statement Contact	Philip Wesley Shirk		(Name)	(717)354-4921-270		
	Phil.Shirk@goodville.com		(E-Mail Address)	(Area Code)(Telephone Number)(Extension)		
				(717)354-5158		
				(Fax Number)		

OFFICERS

Name	Title
David Charles Gautsche	President
John Landis Frankenfield	Secretary
Allon H Lefever	Treasurer

OTHERS

Philip Wesley Shirk, Vice President
 Philip Wesley Shirk, Assistant Treasurer

Jerry Lee Goodpaster, Assistant Secretary

DIRECTORS OR TRUSTEES

Sanford Landis Alderfer
 John Landis Frankenfield
 Allon H Lefever
 John Scott Miller
 Miriam Emma Shirk
 Alan Edward Wyse

Andrew Dula
 David Charles Gautsche
 Keith William Lehman
 Lori Beth Miller
 Glennys Heatwole Shouey

Gregory Allen Edwards
 James Milton Harder
 John Carlton Lehman Miller
 Donald Lee Nice
 Jeremy Charles Shue

State of Pennsylvania

County of Lancaster ss

The officers of this reporting entity being duly affirmed, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

(Signature)

David Charles Gautsche

(Printed Name)

1.

(Signature)

Jerry Lee Goodpaster

(Printed Name)

2.

(Signature)

Philip Wesley Shirk

(Printed Name)

3.

President (Title)	Assistant Secretary (Title)	Assistant Treasurer (CFO) (Title)
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Subscribed and affirmed to before me this

____ day of _____ 2018

(Notary Public Signature)

a. Is this an original filing? Yes[X] No[]

b. If no: 1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

ASSETS

	Current Year			Prior Year
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols.1-2)	4 Net Admitted Assets
1. Bonds (Schedule D)	25,635,969		25,635,969	19,637,417
2. Stocks (Schedule D):				
2.1 Preferred stocks	308,505		308,505	
2.2 Common Stocks	8,194,572		8,194,572	7,593,600
3. Mortgage loans on real estate (Schedule B):				
3.1 First liens				
3.2 Other than first liens				
4. Real estate (Schedule A):				
4.1 Properties occupied by the company (less \$.....0 encumbrances)	1,129,274		1,129,274	1,169,334
4.2 Properties held for the production of income (less \$.....0 encumbrances)	107,916		107,916	107,916
4.3 Properties held for sale (less \$.....0 encumbrances)				
5. Cash (\$.....1,491,516, Schedule E Part 1), cash equivalents (\$.....607,734, Schedule E Part 2) and short-term investments (\$.....0, Schedule DA)	2,099,250		2,099,250	4,110,017
6. Contract loans (including \$.....0 premium notes)				
7. Derivatives (Schedule DB)				
8. Other invested assets (Schedule BA)				
9. Receivables for securities				
10. Securities Lending Reinvested Collateral Assets (Schedule DL)				
11. Aggregate write-ins for invested assets				
12. Subtotals, cash and invested assets (Lines 1 to 11)	37,475,486		37,475,486	32,618,284
13. Title plants less \$.....0 charged off (for Title insurers only)				
14. Investment income due and accrued	104,606		104,606	80,745
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection	5,612,684	2,857	5,609,827	6,073,748
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (Including \$.....0 earned but unbilled premiums)				
15.3 Accrued retrospective premiums (\$.....0) and contracts subject to redetermination (\$.....0)				
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers	414,178		414,178	444,561
16.2 Funds held by or deposited with reinsured companies				
16.3 Other amounts receivable under reinsurance contracts				
17. Amounts receivable relating to uninsured plans				
18.1 Current federal and foreign income tax recoverable and interest thereon				
18.2 Net deferred tax asset	938,881	539,881	399,000	986,000
19. Guaranty funds receivable or on deposit				
20. Electronic data processing equipment and software	4,118	(1,062)	5,180	22,462
21. Furniture and equipment, including health care delivery assets (\$.....0)	25,339	25,339		
22. Net adjustment in assets and liabilities due to foreign exchange rates				
23. Receivables from parent, subsidiaries and affiliates	1,024,702		1,024,702	500,166
24. Health care (\$.....0) and other amounts receivable				
25. Aggregate write-ins for other than invested assets	6,854	6,854		
26. TOTAL assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	45,606,848	573,869	45,032,979	40,725,966
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts				
28. TOTAL (Lines 26 and 27)	45,606,848	573,869	45,032,979	40,725,966
DETAILS OF WRITE-INS				
1101.				
1102.				
1103.				
1198. Summary of remaining write-ins for Line 11 from overflow page				
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)				
2501. Prepaid expenses	6,854	6,854		
2502.				
2503.				
2598. Summary of remaining write-ins for Line 25 from overflow page				
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	6,854	6,854		

LIABILITIES, SURPLUS AND OTHER FUNDS

		1 Current Year	2 Prior Year
1.	Losses (Part 2A, Line 35, Column 8)	6,353,410	5,413,625
2.	Reinsurance payable on paid losses and loss adjustment expenses (Schedule F, Part 1, Column 6)	3,208,241	2,849,122
3.	Loss adjustment expenses (Part 2A, Line 35, Column 9)	1,161,881	1,038,890
4.	Commissions payable, contingent commissions and other similar charges	873,269	814,626
5.	Other expenses (excluding taxes, licenses and fees)	2,139,570	1,987,968
6.	Taxes, licenses and fees (excluding federal and foreign income taxes)	301,879	300,639
7.1	Current federal and foreign income taxes (including \$.....169,746 on realized capital gains (losses))	11,984	9,002
7.2	Net deferred tax liability		
8.	Borrowed money \$.....0 and interest thereon \$.....0		
9.	Unearned premiums (Part 1A, Line 38, Column 5) (after deducting unearned premiums for ceded reinsurance of \$.....17,805 and including warranty reserves of \$.....0 and accrued accident and health experience rating refunds including \$.....0 for medical loss ratio rebate per the Public Health Service Act)	9,203,901	8,575,178
10.	Advance premiums		
11.	Dividends declared and unpaid:		
11.1	Stockholders		
11.2	Policyholders		
12.	Ceded reinsurance premiums payable (net of ceding commissions)	(4,894)	1,152,976
13.	Funds held by company under reinsurance treaties (Schedule F, Part 3, Column 19)		
14.	Amounts withheld or retained by company for account of others	1,224	1,584
15.	Remittances and items not allocated		
16.	Provision for reinsurance (including (\$.....0 certified)) (Schedule F, Part 8)		
17.	Net adjustments in assets and liabilities due to foreign exchange rates		
18.	Drafts outstanding		
19.	Payable to parent, subsidiaries and affiliates	3,038,046	1,815,142
20.	Derivatives		
21.	Payable for securities		
22.	Payable for securities lending		
23.	Liability for amounts held under uninsured plans		
24.	Capital notes \$.....0 and interest thereon \$.....0		
25.	Aggregate write-ins for liabilities		
26.	TOTAL Liabilities excluding protected cell liabilities (Lines 1 through 25)	26,288,511	23,958,752
27.	Protected cell liabilities		
28.	TOTAL Liabilities (Lines 26 and 27)	26,288,511	23,958,752
29.	Aggregate write-ins for special surplus funds		
30.	Common capital stock		
31.	Preferred capital stock		
32.	Aggregate write-ins for other-than-special surplus funds		
33.	Surplus notes		
34.	Gross paid in and contributed surplus		
35.	Unassigned funds (surplus)	18,744,468	16,767,214
36.	Less treasury stock, at cost:		
36.1	.....0 shares common (value included in Line 30 \$.....0)		
36.2	.....0 shares preferred (value included in Line 31 \$.....0)		
37.	Surplus as regards policyholders (Lines 29 to 35, minus 36) (Page 4, Line 39)	18,744,468	16,767,214
38.	TOTALS (Page 2, Line 28, Column 3)	45,032,979	40,725,966

DETAILS OF WRITE-INS

2501.			
2502.			
2503.			
2598.	Summary of remaining write-ins for Line 25 from overflow page		
2599.	TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)		
2901.			
2902.			
2903.			
2998.	Summary of remaining write-ins for Line 29 from overflow page		
2999.	TOTALS (Lines 2901 through 2903 plus 2998) (Line 29 above)		
3201.			
3202.			
3203.			
3298.	Summary of remaining write-ins for Line 32 from overflow page		
3299.	TOTALS (Lines 3201 through 3203 plus 3298) (Line 32 above)		

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE **GERMAN MUTUAL INSURANCE COMPANY**
STATEMENT OF INCOME

		1 Current Year	2 Prior Year
UNDERWRITING INCOME			
1. Premiums earned (Part 1, Line 35, Column 4)		21,505,983	20,327,431
DEDUCTIONS			
2. Losses incurred (Part 2, Line 35, Column 7)		13,054,599	10,671,142
3. Loss adjustment expenses incurred (Part 3, Line 25, Column 1)		1,682,936	1,395,257
4. Other underwriting expenses incurred (Part 3, Line 25, Column 2)		6,124,261	5,712,120
5. Aggregate write-ins for underwriting deductions			
6. TOTAL Underwriting Deductions (Lines 2 through 5)		20,861,796	17,778,519
7. Net income of protected cells			
8. Net underwriting gain or (loss) (Line 1 minus Line 6 plus Line 7)		644,187	2,548,912
INVESTMENT INCOME			
9. Net investment income earned (Exhibit of Net Investment Income, Line 17)		502,015	339,940
10. Net realized capital gains (losses) less capital gains tax of \$.....169,746 (Exhibit of Capital Gains (Losses))		350,207	(6,292)
11. Net investment gain or (loss) (Lines 9 + 10)		852,222	333,648
OTHER INCOME			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$.....42,681 amount charged off \$.....535)		42,147	4,956
13. Finance and service charges not included in premiums		4,649	19,098
14. Aggregate write-ins for miscellaneous income		7,500	
15. TOTAL Other Income (Lines 12 through 14)		54,296	24,054
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)		1,550,705	2,906,614
17. Dividends to policyholders			
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)		1,550,705	2,906,614
19. Federal and foreign income taxes incurred		(136,764)	50,481
20. Net income (Line 18 minus Line 19) (to Line 22)		1,687,469	2,856,133
CAPITAL AND SURPLUS ACCOUNT			
21. Surplus as regards policyholders, December 31 prior year (Page 4, Line 39, Column 2)		16,767,214	14,496,704
22. Net income (from Line 20)		1,687,469	2,856,133
23. Net transfers (to) from Protected Cell accounts			
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$.....158,329		862,673	267,820
25. Change in net unrealized foreign exchange capital gain (loss)			
26. Change in net deferred income tax		(1,227,995)	(973,632)
27. Change in nonadmitted assets (Exhibit of Nonadmitted Assets Line 28, Column 3)		852,659	317,741
28. Change in provision for reinsurance (Page 3, Line 16, Column 2 minus Column 1)			
29. Change in surplus notes			
30. Surplus (contributed to) withdrawn from protected cells			
31. Cumulative effect of changes in accounting principles		(197,552)	(197,552)
32. Capital changes:			
32.1 Paid in			
32.2 Transferred from surplus (Stock Dividend)			
32.3 Transferred to surplus			
33. Surplus adjustments:			
33.1 Paid in			
33.2 Transferred to capital (Stock Dividend)			
33.3 Transferred from capital			
34. Net remittances from or (to) Home Office			
35. Dividends to stockholders			
36. Change in treasury stock (Page 3, Line 36.1 and 36.2, Column 2 minus Column 1)			
37. Aggregate write-ins for gains and losses in surplus			
38. Change in surplus as regards policyholders for the year (Lines 22 through 37)		1,977,254	2,270,510
39. Surplus as regards policyholders, December 31 current year (Line 21 plus Line 38) (Page 3, Line 37)		18,744,468	16,767,214
DETAILS OF WRITE-INS			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page			
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)			
1401. Gain (loss) on the sale of assets		7,500	
1402.			
1403.			
1498. Summary of remaining write-ins for Line 14 from overflow page			
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)		7,500	
3701.			
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page			
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Lines 37 above)			

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE **GERMAN MUTUAL INSURANCE COMPANY**
CASH FLOW

		1 Current Year	2 Prior Year
Cash from Operations			
1.	Premiums collected net of reinsurance	21,440,756	20,549,174
2.	Net investment income	613,189	444,264
3.	Miscellaneous income	54,296	24,054
4.	TOTAL (Lines 1 through 3)	22,108,241	21,017,492
5.	Benefit and loss related payments	11,725,312	9,581,403
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	7,679,172	7,096,100
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of \$.....10,823 tax on capital gains (losses)	30,000	61,573
10.	TOTAL (Lines 5 through 9)	19,434,484	16,739,076
11.	Net cash from operations (Line 4 minus Line 10)	2,673,757	4,278,416
Cash from Investments			
12.	Proceeds from investments sold, matured or repaid:		
12.1	Bonds	8,240,129	7,106,190
12.2	Stocks	4,535,842	3,618,038
12.3	Mortgage loans		
12.4	Real estate		
12.5	Other invested assets		
12.6	Net gains or (losses) on cash, cash equivalents and short-term investments		
12.7	Miscellaneous proceeds		
12.8	TOTAL Investment proceeds (Lines 12.1 to 12.7)	12,775,971	10,724,228
13.	Cost of investments acquired (long-term only):		
13.1	Bonds	14,320,204	9,712,126
13.2	Stocks	3,906,281	4,402,273
13.3	Mortgage loans		
13.4	Real estate	11,078	5,190
13.5	Other invested assets		
13.6	Miscellaneous applications		
13.7	TOTAL Investments acquired (Lines 13.1 to 13.6)	18,237,563	14,119,589
14.	Net increase (decrease) in contract loans and premium notes		
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	(5,461,592)	(3,395,361)
Cash from Financing and Miscellaneous Sources			
16.	Cash provided (applied):		
16.1	Surplus notes, capital notes		
16.2	Capital and paid in surplus, less treasury stock		
16.3	Borrowed funds		
16.4	Net deposits on deposit-type contracts and other insurance liabilities		
16.5	Dividends to stockholders		
16.6	Other cash provided (applied)	777,068	264,604
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	777,068	264,604
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS			
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	(2,010,767)	1,147,659
19.	Cash, cash equivalents and short-term investments:		
19.1	Beginning of year	4,110,017	2,962,358
19.2	End of year (Line 18 plus Line 19.1)	2,099,250	4,110,017

Note: Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

20.0001		
20.0002		

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS EARNED

Line of Business	1 Net Premiums Written Per Column 6, Part 1B	2 Unearned Premiums Dec. 31 Prior Year - per Column 3, Last Year's Part 1	3 Unearned Premiums Dec. 31 Current Year - per Column 5, Part 1A	4 Premiums Earned During Year (Columns 1 + 2 - 3)
1. Fire	554,765	274,356	280,616	548,505
2. Allied lines	351,745	174,342	182,725	343,362
3. Farmowners multiple peril	3,056,256	1,416,597	1,465,603	3,007,250
4. Homeowners multiple peril	6,865,903	3,466,985	3,710,124	6,622,764
5. Commercial multiple peril	1,963,113	912,530	1,024,218	1,851,425
6. Mortgage guaranty				
8. Ocean marine				
9. Inland marine	42,693	26,614	21,568	47,739
10. Financial guaranty				
11.1 Medical professional liability - occurrence				
11.2 Medical professional liability - claims-made				
12. Earthquake	(16)	690		674
13. Group accident and health				
14. Credit accident and health (group and individual)				
15. Other accident and health				
16. Workers' compensation				
17.1 Other liability - occurrence	267,279	154,345	149,463	272,161
17.2 Other liability - claims-made				
17.3 Excess Workers' Compensation				
18.1 Products liability - occurrence	18,316	8,621	7,930	19,007
18.2 Products liability - claims-made				
19.1 19.2 Private passenger auto liability	4,499,418	1,026,344	1,125,059	4,400,703
19.3 19.4 Commercial auto liability	360,741	163,526	173,950	350,317
21. Auto physical damage	4,154,504	950,090	1,062,645	4,041,949
22. Aircraft (all perils)				
23. Fidelity				
24. Surety				
26. Burglary and theft	(11)	138		127
27. Boiler and machinery				
28. Credit				
29. International				
30. Warranty				
31. Reinsurance-Nonproportional Assumed Property				
32. Reinsurance-Nonproportional Assumed Liability				
33. Reinsurance-Nonproportional Assumed Financial Lines				
34. Aggregate write-ins for other lines of business				
35. TOTALS	22,134,706	8,575,178	9,203,901	21,505,983
DETAILS OF WRITE-INS				
3401.				
3402.				
3403.				
3498. Summary of remaining write-ins for Line 34 from overflow page				
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)				

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1A - RECAPITULATION OF ALL PREMIUMS

Line of Business	1 Amount Unearned (Running One Year or Less From Date of Policy) (a)	2 Amount Unearned (Running More Than One Year From Date of Policy) (a)	3 Earned But Unbilled Premium	4 Reserve for Rate Credits and Retrospective Adjustments Based on Experience	5 Total Reserve For Unearned Premiums Columns 1 + 2 + 3 + 4
1. Fire	280,616				280,616
2. Allied lines	182,725				182,725
3. Farmowners multiple peril	1,465,603				1,465,603
4. Homeowners multiple peril	3,710,124				3,710,124
5. Commercial multiple peril	1,024,218				1,024,218
6. Mortgage guaranty					
8. Ocean marine					
9. Inland marine	21,568				21,568
10. Financial guaranty					
11.1 Medical professional liability - occurrence					
11.2 Medical professional liability - claims-made					
12. Earthquake					
13. Group accident and health					
14. Credit accident and health (group and individual)					
15. Other accident and health					
16. Workers' compensation					
17.1 Other liability - occurrence	149,463				149,463
17.2 Other liability - claims-made					
17.3 Excess Workers' Compensation					
18.1 Products liability - occurrence	7,930				7,930
18.2 Products liability - claims-made					
19.1 19.2 Private passenger auto liability	1,125,059				1,125,059
19.3 19.4 Commercial auto liability	173,950				173,950
21. Auto physical damage	1,062,645				1,062,645
22. Aircraft (all perils)					
23. Fidelity					
24. Surety					
26. Burglary and theft					
27. Boiler and machinery					
28. Credit					
29. International					
30. Warranty					
31. Reinsurance-Nonproportional Assumed Property					
32. Reinsurance-Nonproportional Assumed Liability					
33. Reinsurance-Nonproportional Assumed Financial Lines					
34. Aggregate write-ins for other lines of business					
35. TOTALS	9,203,901				9,203,901
36. Accrued retrospective premiums based on experience					
37. Earned but unbilled premiums					
38. Balance (Sum of Lines 35 through 37)					9,203,901
DETAILS OF WRITE-INS					
3401.					
3402.					
3403.					
3498. Summary of remaining write-ins for Line 34 from overflow page					
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)					

(a) State here basis of computation used in each case: Daily pro-rata

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1B - PREMIUMS WRITTEN

Line of Business	1 Direct Business (a)	Reinsurance Assumed		Reinsurance Ceded		6 Net Premiums Written Columns 1+2+3-4-5
		2 From Affiliates	3 From Non-Affiliates	4 To Affiliates	5 To Non-Affiliates	
1. Fire	(1,023)	554,765		(972)	(51)	554,765
2. Allied lines		351,745				351,745
3. Farmowners multiple peril	(30,168)	3,056,256		(34,199)	4,031	3,056,256
4. Homeowners multiple peril		6,865,903				6,865,903
5. Commercial multiple peril	(9,402)	1,963,113		(10,494)	1,092	1,963,113
6. Mortgage guaranty						
8. Ocean marine						
9. Inland marine	962	42,693		914	48	42,693
10. Financial guaranty						
11.1 Medical professional liability - occurrence						
11.2 Medical professional liability - claims-made						
12. Earthquake	(109)	(16)		(109)		(16)
13. Group accident and health						
14. Credit accident and health (group and individual)						
15. Other accident and health						
16. Workers' compensation						
17.1 Other liability - occurrence	(363)	267,279	43,995	43,639	(7)	267,279
17.2 Other liability - claims-made						
17.3 Excess Workers' Compensation						
18.1 Products liability - occurrence		18,316				18,316
18.2 Products liability - claims-made						
19.1 19.2 Private passenger auto liability		4,499,418				4,499,418
19.3 19.4 Commercial auto liability		360,741	1,795	1,795		360,741
21. Auto physical damage		4,154,504				4,154,504
22. Aircraft (all perils)						
23. Fidelity						
24. Surety						
26. Burglary and theft	(74)	(11)		(74)		(11)
27. Boiler and machinery						
28. Credit						
29. International						
30. Warranty						
31. Reinsurance-Nonproportional Assumed Property	XXX					
32. Reinsurance-Nonproportional Assumed Liability	XXX					
33. Reinsurance-Nonproportional Assumed Financial Lines	XXX					
34. Aggregate write-ins for other lines of business						
35. TOTALS	(40,177)	22,134,706	45,790	500	5,113	22,134,706

DETAILS OF WRITE-INS

3401.						
3402.						
3403.						
3498. Summary of remaining write-ins for Line 34 from overflow page						
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)						

(a) Does the company's direct premiums written include premiums recorded on an installment basis? Yes [] No [X]

If yes, (1) The amount of such installment premiums \$.....0.

(2) Amount at which such installment premiums would have been reported had they been recorded on an annualized basis \$.....0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - LOSSES PAID AND INCURRED

Line of Business	Losses Paid Less Salvage				5 Net Losses Unpaid Current Year (Part 2A, Column 8)	6 Net Losses Unpaid Prior Year	7 Losses Incurred Current Year (Columns 4 + 5 - 6)	8 Percentage of Losses Incurred (Column 7, Part 2) to Premiums Earned (Column 4, Part 1)
	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Recovered	4 Net Payments (Columns 1 + 2 - 3)				
1. Fire	46,151	221,946	46,151	221,946	40,657	25,627	236,976	43.20
2. Allied lines		256,564		256,564	50,244	18,042	288,766	84.10
3. Farmowners multiple peril	1,265,761	1,787,061	1,265,761	1,787,061	377,679	300,889	1,863,851	61.98
4. Homeowners multiple peril	72,073	3,780,861	72,073	3,780,861	1,434,453	886,872	4,328,442	65.36
5. Commercial multiple peril	(543,521)	828,168	(543,521)	828,168	643,629	693,153	778,644	42.06
6. Mortgage guaranty								
8. Ocean marine								
9. Inland marine	10,296	8,177	10,296	8,177			8,177	17.13
10. Financial guaranty								
11.1 Medical professional liability - occurrence								
11.2 Medical professional liability - claims-made								
12. Earthquake								
13. Group accident and health								
14. Credit accident and health (group and individual)								
15. Other accident and health								
16. Workers' compensation		(10)		(10)	3,051	3,459	(418)	
17.1 Other liability - occurrence		183,266	65,282	117,984	143,033	305,160	(44,143)	(16.22)
17.2 Other liability - claims-made								
17.3 Excess Workers' Compensation								
18.1 Products liability - occurrence		6,087		6,087	18,000	28,422	(4,335)	(22.81)
18.2 Products liability - claims made								
19.1 19.2 Private passenger auto liability	118,810	2,588,417	118,810	2,588,417	3,214,950	2,860,098	2,943,269	66.88
19.3 19.4 Commercial auto liability	25,187	115,938	25,529	115,596	286,896	135,985	266,507	76.08
21. Auto physical damage	1,511	2,403,963	1,511	2,403,963	140,818	155,918	2,388,863	59.10
22. Aircraft (all perils)								
23. Fidelity								
24. Surety								
26. Burglary and theft								
27. Boiler and machinery								
28. Credit								
29. International								
30. Warranty								
31. Reinsurance-Nonproportional Assumed Property	X X X							
32. Reinsurance-Nonproportional Assumed Liability	X X X							
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X							
34. Aggregate write-ins for other lines of business								
35. TOTALS	996,268	12,180,438	1,061,892	12,114,814	6,353,410	5,413,625	13,054,599	60.70
DETAILS OF WRITE-INS								
3401.								
3402.								
3403.								
3498. Summary of remaining write-ins for Line 34 from overflow page								
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)								

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

Line of Business	Reported Losses				Incurred But Not Reported			8	9
	1 Direct	2 Reinsurance Assumed	3 Deduct Reinsurance Recoverable	4 Net Losses Excluding Incurred But Not Reported (Columns 1 + 2 - 3)	5 Direct	6 Reinsurance Assumed	7 Reinsurance Ceded		
1. Fire		33,506		33,506			7,151		40,657
2. Allied Lines		41,245		41,245			8,999		50,244
3. Farmowners multiple peril	448,458	299,737	448,458	299,737	102,220	77,942	102,220	377,679	68,026
4. Homeowners multiple peril	112,800	1,138,454	112,800	1,138,454	42,528	295,999	42,528	1,434,453	258,367
5. Commercial multiple peril	25,000	437,842	25,000	437,842	11,750	205,787	11,750	643,629	117,940
6. Mortgage guaranty									
8. Ocean marine									
9. Inland marine									
10. Financial guaranty									
11.1 Medical professional liability - occurrence									
11.2 Medical professional liability - claims-made									
12. Earthquake									
13. Group accident & health								(a)	
14. Credit accident & health (group & individual)									
15. Other accident & health								(a)	
16. Workers' compensation		3,051		3,051				3,051	318
17.1 Other liability - occurrence		63,889	9,578	54,311		136,048	47,326	143,033	31,451
17.2 Other liability - claims-made									
17.3 Excess Workers' Compensation									
18.1 Products liability - occurrence		7,500		7,500		10,500		18,000	3,315
18.2 Products liability - claims-made									
19.1 19.2 Private passenger auto liability	305,000	2,927,968	305,000	2,927,968	66,490	286,982	66,490	3,214,950	587,176
19.3 19.4 Commercial auto liability		220,714		220,714		66,182		286,896	52,713
21. Auto physical damage		126,960		126,960		13,858		140,818	25,931
22. Aircraft (all perils)									
23. Fidelity									
24. Surety									
26. Burglary and theft									
27. Boiler and machinery									
28. Credit									
29. International									
30. Warranty									
31. Reinsurance-Nonproportional Assumed Property	X X X				X X X				
32. Reinsurance-Nonproportional Assumed Liability	X X X				X X X				
33. Reinsurance-Nonproportional Assumed Financial Lines	X X X				X X X				
34. Aggregate write-ins for other lines of business									
35. TOTALS	891,258	5,300,866	900,836	5,291,288	222,988	1,109,448	270,314	6,353,410	1,161,881
DETAILS OF WRITE-INS									
3401.									
3402.									
3403.									
3498. Summary of remaining write-ins for Line 34 from overflow page									
3499. TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above)									

(a) Including \$.....0 for present value of life indemnity claims.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - EXPENSES

	1 Loss Adjustment Expenses	2 Other Underwriting Expenses	3 Investment Expenses	4 Total
1. Claim adjustment services:				
1.1 Direct	(85,715)			(85,715)
1.2 Reinsurance assumed	981,810			981,810
1.3 Reinsurance ceded	(85,417)			(85,417)
1.4 Net claim adjustment services (1.1 + 1.2 - 1.3)	981,512			981,512
2. Commission and brokerage:				
2.1 Direct, excluding contingent		(6,027)		(6,027)
2.2 Reinsurance assumed, excluding contingent		3,664,415		3,664,415
2.3 Reinsurance ceded, excluding contingent		9,989		9,989
2.4 Contingent - direct				
2.5 Contingent - reinsurance assumed		244,538		244,538
2.6 Contingent - reinsurance ceded				
2.7 Policy and membership fees				
2.8 Net commission and brokerage (2.1 + 2.2 - 2.3 + 2.4 + 2.5 - 2.6 + 2.7)		3,892,937		3,892,937
3. Allowances to manager and agents		25,462		25,462
4. Advertising		19,795		19,795
5. Boards, bureaus and associations	11,053	97,333		108,386
6. Surveys and underwriting reports	8,222	190,872		199,094
7. Audit of assureds' records				
8. Salary and related items:				
8.1 Salaries	371,709	707,464	25,504	1,104,677
8.2 Payroll taxes	24,076	54,572	1,605	80,253
9. Employee relations and welfare	72,447	162,215	4,771	239,433
10. Insurance	8,634	19,572		576
11. Directors' fees	20,951	47,488	1,397	69,836
12. Travel and travel items	3,159	25,373		28,532
13. Rent and rent items	19,345	43,848	1,290	64,483
14. Equipment	29,900	67,772	1,993	99,665
15. Cost or depreciation of EDP equipment and software	18,157	41,157	1,211	60,525
16. Printing and stationery	8,484	19,739	566	28,789
17. Postage, telephone and telegraph, exchange and express	42,960	47,733	4,773	95,466
18. Legal and auditing	43,525	98,658	97,524	239,707
19. TOTALS (Lines 3 to 18)	682,622	1,669,053	141,210	2,492,885
20. Taxes, licenses and fees:				
20.1 State and local insurance taxes deducting guaranty association credits of \$.....(256)		488,824		488,824
20.2 Insurance department licenses and fees		19,197		19,197
20.3 Gross guaranty association assessments		(1,811)		(1,811)
20.4 All other (excluding federal and foreign income and real estate)		11,132		11,132
20.5 TOTAL taxes, licenses and fees (20.1 + 20.2 + 20.3 + 20.4)		517,342		517,342
21. Real estate expenses			36,610	36,610
22. Real estate taxes			8,268	8,268
23. Reimbursements by uninsured plans				
24. Aggregate write-ins for miscellaneous expenses	18,802	44,929	1,321	65,052
25. TOTAL expenses incurred	1,682,936	6,124,261	187,409	(a).....7,994,606
26. Less unpaid expenses - current year	1,161,881	2,514,288	11,307	3,687,476
27. Add unpaid expenses - prior year	1,038,890	2,509,254	10,851	3,558,995
28. Amounts receivable relating to uninsured plans, prior year				
29. Amounts receivable relating to uninsured plans, current year				
30. TOTAL EXPENSES PAID (Lines 25 - 26 + 27 - 28 + 29)	1,559,945	6,119,227	186,953	7,866,125

DETAILS OF WRITE-INS

2401. Contributions and services rendered	18,802	44,929	1,321	65,052
2402.				
2403.				
2498. Summary of remaining write-ins for Line 24 from overflow page				
2499. TOTALS (Lines 2401 through 2403 plus 2498) (Line 24 above)	18,802	44,929	1,321	65,052

(a) Includes management fees of \$.....0 to affiliates and \$.....0 to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1. U.S. Government bonds	(a)	32,100	34,979
1.1 Bonds exempt from U.S. tax	(a)	12,190	12,576
1.2 Other bonds (unaffiliated)	(a)	406,052	426,870
1.3 Bonds of affiliates	(a)		
2.1 Preferred stocks (unaffiliated)	(b)	1,174	2,172
2.11 Preferred stocks of affiliates	(b)		
2.2 Common stocks (unaffiliated)		162,710	160,696
2.21 Common stocks of affiliates			
3. Mortgage loans	(c)		
4. Real estate	(d)	81,944	81,944
5. Contract loans			
6. Cash, cash equivalents and short-term investments	(e)	20,533	21,325
7. Derivative instruments	(f)		
8. Other invested assets			
9. Aggregate write-ins for investment income			
10. TOTAL Gross investment income	716,703		740,562
11. Investment expenses	(g)	187,409	
12. Investment taxes, licenses and fees, excluding federal income taxes	(g)		
13. Interest expense	(h)		
14. Depreciation on real estate and other invested assets	(i)	51,138	
15. Aggregate write-ins for deductions from investment income			
16. TOTAL Deductions (Lines 11 through 15)		238,547	
17. Net Investment income (Line 10 minus Line 16)			502,015

DETAILS OF WRITE-INS

0901.			
0902.			
0903.			
0998. Summary of remaining write-ins for Line 9 from overflow page			
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)			
1501.			
1502.			
1503.			
1598. Summary of remaining write-ins for Line 15 from overflow page			
1599. TOTALS (Lines 1501 through 1503 plus 1598) (Line 15 above)			

(a) Includes \$.....5,756 accrual of discount less \$.....89,152 amortization of premium and less \$.....41,227 paid for accrued interest on purchases.
 (b) Includes \$.....0 accrual of discount less \$.....45 amortization of premium and less \$.....0 paid for accrued dividends on purchases.
 (c) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (d) Includes \$.....81,944 for company's occupancy of its own buildings; and excludes \$.....0 interest on encumbrances.
 (e) Includes \$.....0 accrual of discount less \$.....0 amortization of premium and less \$.....0 paid for accrued interest on purchases.
 (f) Includes \$.....0 accrual of discount less \$.....0 amortization of premium.
 (g) Includes \$.....187,409 investment expenses and \$.....0 investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.
 (h) Includes \$.....0 interest on surplus notes and \$.....0 interest on capital notes.
 (i) Includes \$.....51,138 depreciation on real estate and \$.....0 depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

	1 Realized Gain (Loss) on Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1. U.S. Government bonds	(1,366)		(1,366)		
1.1 Bonds exempt from U.S. tax					
1.2 Other bonds (unaffiliated)	5,035		5,035	(1,796)	
1.3 Bonds of affiliates					
2.1 Preferred stocks (unaffiliated)					
2.11 Preferred stocks of affiliates					
2.2 Common stocks (unaffiliated)	528,028	(11,744)	516,284	1,022,798	
2.21 Common stocks of affiliates					
3. Mortgage loans					
4. Real estate					
5. Contract loans					
6. Cash, cash equivalents and short-term investments					
7. Derivative instruments					
8. Other invested assets					
9. Aggregate write-ins for capital gains (losses)					
10. TOTAL Capital gains (losses)	531,697	(11,744)	519,953	1,021,002	

DETAILS OF WRITE-INS

0901.				
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page				
0999. TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above)				

EXHIBIT OF NONADMITTED ASSETS

	1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1. Bonds (Schedule D)			
2. Stocks (Schedule D):			
2.1 Preferred stocks			
2.2 Common stocks			
3. Mortgage loans on real estate (Schedule B):			
3.1 First liens			
3.2 Other than first liens			
4. Real estate (Schedule A):			
4.1 Properties occupied by the company			
4.2 Properties held for the production of income			
4.3 Properties held for sale			
5. Cash (Schedule E-Part 1), cash equivalents (Schedule E-Part 2) and short-term investments (Schedule DA)			
6. Contract loans			
7. Derivatives (Schedule DB)			
8. Other invested assets (Schedule BA)			
9. Receivables for securities			
10. Securities lending reinvested collateral assets (Schedule DL)			
11. Aggregate write-ins for invested assets			
12. Subtotals, cash and invested assets (Lines 1 to 11)			
13. Title plants (for Title insurers only)			
14. Invested income due and accrued			
15. Premium and considerations:			
15.1 Uncollected premiums and agents' balances in the course of collection	2,857	13,912	11,055
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			
15.3 Accrued retrospective premiums and contracts subject to redetermination			
16. Reinsurance:			
16.1 Amounts recoverable from reinsurers			
16.2 Funds held by or deposited with reinsured companies			
16.3 Other amounts receivable under reinsurance contracts			
17. Amounts receivable relating to uninsured plans			
18.1 Current federal and foreign income tax recoverable and interest thereon			
18.2 Net deferred tax asset	539,881	1,339,205	799,324
19. Guaranty funds receivable or on deposit			
20. Electronic data processing equipment and software	(1,062)	16,978	18,040
21. Furniture and equipment, including health care delivery assets	25,339	33,501	8,162
22. Net adjustment in assets and liabilities due to foreign exchange rates			
23. Receivables from parent, subsidiaries and affiliates			
24. Health care and other amounts receivable			
25. Aggregate write-ins for other than invested assets	6,854	22,932	16,078
26. TOTAL Assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	573,869	1,426,528	852,659
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			
28. TOTAL (Lines 26 and 27)	573,869	1,426,528	852,659
DETAILS OF WRITE-INS			
1101.			
1102.			
1103.			
1198. Summary of remaining write-ins for Line 11 from overflow page			
1199. TOTALS (Lines 1101 through 1103 plus 1198) (Line 11 above)			
2501. Prepaid expenses	6,854	22,932	16,078
2502.			
2503.			
2598. Summary of remaining write-ins for Line 25 from overflow page			
2599. TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above)	6,854	22,932	16,078

Notes to Financial Statements

1 Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of German Mutual Insurance Company are presented on the basis of accounting practices prescribed or permitted by the Ohio Insurance Department.

The Insurance Department of the state of Ohio recognizes only statutory accounting practices prescribed by the state of Ohio for determining and reporting the financial condition and results of operations of an insurance company for determining its solvency under the Ohio Insurance Law. The National Association of Insurance Commissioners' (NAIC) *Accounting Practices and Procedures* manual (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Ohio. The Insurance Commissioner has the right to permit other specific practices that deviate from prescribed practices.

A reconciliation of the Company's net income and policyholders' surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

	SSAP #	F/S Page	F/S Line #	2017	2016
Net Income:					
(1) Company state basis (Page 4, Line 20, Columns 1 & 2)	XXX	XXX	XXX	\$ 1,687,469	\$ 2,856,133
(2) State Prescribed Practices that increase (decrease) NAIC SAP: e.g., Depreciation of fixed assets				0	0
(3) State Permitted Practices that increase (decrease) NAIC SAP: e.g., Depreciation, home office property				0	0
(4) NAIC SAP (1-2-3=4)	XXX	XXX	XXX	\$ 1,687,469	\$ 2,856,133
Surplus:					
(5) Company state basis (Page 3, Line 37, Columns 1 & 2)	XXX	XXX	XXX	\$ 18,744,468	\$ 16,767,214
(6) State Prescribed Practices that increase (decrease) NAIC SAP: e.g., Goodwill, net e.g., Fixed Assets, net				0	0
(7) State Permitted Practices that increase (decrease) NAIC SAP: e.g., Home Office Property				0	0
(8) NAIC SAP (5-6-7=8)	XXX	XXX	XXX	\$ 18,744,468	\$ 16,767,214

There are no accounting practices used by the Company which differ from NAIC SAP.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with NAIC SAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Premiums are earned over the terms of the related insurance policies and reinsurance contracts. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct and ceded business and are based on reports received from ceding companies for assumed reinsurance.

Expenses incurred in connection with acquiring new business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Bonds not backed by other loans are stated at amortized cost using the interest method.
3. Common stocks are stated at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 20% or more are carried on the equity basis.
4. Preferred stocks are stated in accordance with guidance provided in SSAP No. 32.
5. The Company has no mortgage loans.
6. Loan-backed securities are stated at either amortized cost or the lower of amortized cost or fair market value. The retrospective adjustment method is used to value all securities except for interest only securities or securities where the yield had become negative, that are valued using the prospective method.
7. The Company does not have any investments in subsidiaries.
8. The Company has no ownership interests in joint ventures.
9. The Company does not have any investments in derivatives.
10. The Company anticipates investment income, if applicable, as a factor in the premium deficiency calculation, in accordance with SSAP No. 53, Property-Casualty Contracts-Premiums.

Notes to Financial Statements

11. Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed and any adjustments are reflected in the period determined.
12. The Company has not modified its capitalization policy from the prior period.
13. The Company does not engage in any activities which would require it to provide for estimated pharmaceutical rebates.

D. Going Concern

Management does not have any substantial doubts about the Company's ability to continue as a going concern.

2 Accounting Changes and Corrections of Errors

In 2014, the Company changed its method for accounting for the nonvested portion of its Post-Retirement Health Benefit. In 2013, the Company elected to record the nonvested portion of the liability over ten years and included \$197,552 of the liability as an expense in the Statement of Income. In 2017 and 2016, the Company recorded \$197,552 of the liability as a direct charge to surplus. The total nonvested portion to be recorded over ten years is \$1,975,520.

3 Business Combinations and Goodwill

The Company was not involved in any business combinations during the current year.

4 Discontinued Operations

The Company did not dispose of any business segments during the current year.

5 Investments

A. Mortgage Loans, including Mezzanine Real Estate Loans

The Company does not have investments in mortgage loans.

B. Debt Restructuring

The Company did not have any investments or loans restructured in 2017.

C. Reverse Mortgages

The Company does not have investments in reverse mortgages.

D. Loan Backed Securities

1. Prepayment assumptions for mortgage-backed/loan-backed securities were obtained from broker dealer survey values or internal estimates.
2. There were no loan-backed securities with recognized other-than-temporary impairment losses in 2017.
3. The Company holds no loan-backed securities with a recognized other-than-temporary impairment for which the present value of cash flows expected to be collected is less than the securities amortized cost.
4. All impaired securities (fair value is less than cost or amortized cost) for which an other-than-temporary impairment has not been recognized in earnings (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

a. The aggregate amount of unrealized losses:	1. Less than 12 Months	\$ 19,556
	2. 12 Months or Longer	\$ 48,644
b. The aggregate related fair value of securities with unrealized losses:	1. Less than 12 Months	\$ 3,099,398
	2. 12 Months or Longer	\$ 2,970,443

5. The Company considers expected cash flows and amortized cost as a percentage of market value in determining that impairments are not other-than-temporary.

E. Dollar Repurchase Agreements and Securities Lending Transactions

The Company does not have any investments in dollar repurchase agreements.

The Company does not participate in any securities lending activities.

F. Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company does not have investments in repurchase agreements accounted for as secured borrowings.

G. Reverse Repurchase Agreements Transactions Accounted for as Secured Borrowing

The Company does not have investments in reverse repurchase agreements accounted for as secured borrowings.

Notes to Financial Statements

H. Repurchase Agreements Transactions Accounted for as a Sale

The Company does not have investments in repurchase agreements accounted for as a sale.

I. Reverse Repurchase Agreements Transactions Accounted for as a Sale

The Company does not have investments in reverse repurchase agreements accounted for as a sale.

J. Real Estate

1. The Company did not recognize an impairment loss on real estate during 2017.
2. The Company did not sell or classify any real estate investments as held for sale in 2017.
3. The Company did not change any plans of sale for investments in real estate in 2017.
4. The Company does not engage in retail land sale operations.
5. The Company does not hold real estate investments with participating mortgage loan features.

K. Low-Income Housing Tax Credits

The Company does not have investments in low-income housing tax credits.

L. Restricted Assets

The Company has no assets pledged to others as collateral or otherwise restricted by the Company.

M. Working Capital Finance Investments

The Company does not have any working capital finance investments.

N. Offsetting and Netting of Assets and Liabilities

The Company does not have any derivative, repurchase or reverse repurchase, or securities borrowing and securities lending assets and liabilities offset and reported net with a valid right of offset in accordance with SSAP No. 64.

O. Structured Notes

The Company does not have any investments in structured notes.

P. 5* Securities

The Company does not have any securities designated 5* for the current or prior year.

Q. Short Sales

The Company did not engage in any short sales during 2017.

R. Prepayment Penalty and Acceleration Fees

The Company did not have any investment income generated as a result of a prepayment penalty or acceleration fee during 2017.

6 Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies that exceed 10% of its admitted assets.
- B. The Company did not recognize any impairment write down for its investments in Joint Ventures, Partnerships and Limited Liability Companies during 2017.

7 Investment Income

The Company did not exclude from surplus any due and accrued investment income.

8 Derivative Instruments

The Company did not own derivative instruments during the current year.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE GERMAN MUTUAL INSURANCE COMPANY
Notes to Financial Statements

9 Income Taxes

A. The components of the net deferred tax asset/(liability) at December 31 are as follows:

1.

	12/31/2017			12/31/2016			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Gross Deferred Tax Assets	\$ 1,257,400	\$ 2,466	\$ 1,259,866	\$ 2,484,871	\$ 11,061	\$ 2,495,932	\$ (1,227,471)	\$ (8,595)	\$ (1,236,066)
(b) Stat. Valuation Allowance Adj	-	-	-	-	-	-	-	-	-
(c) Adjusted Gross Deferred Tax Assets (1a - 1b)	1,257,400	2,466	1,259,866	2,484,871	11,061	2,495,932	(1,227,471)	(8,595)	(1,236,066)
(d) Deferred Tax Assets Nonadmitted	539,881	-	539,881	1,339,205	-	1,339,205	(799,324)	-	(799,324)
(e) Subtotal Net Admitted Deferred Tax Asset (1c - 1d)	717,519	2,466	719,985	1,145,666	11,061	1,156,727	(428,147)	(8,595)	(436,742)
(f) Deferred Tax Liabilities	15,981	305,004	320,985	24,052	146,675	170,727	(8,071)	158,329	150,258
(g) Net Admitted Deferred Tax Asset/ (Net Deferred Tax Liability) (1e-1f)	\$ 701,538	\$ (302,538)	\$ 399,000	\$ 1,121,614	\$ (135,614)	\$ 986,000	\$ (420,076)	\$ (166,924)	\$ (587,000)

2. Admission Calculation Components SSAP No. 101

	12/31/2017			12/31/2016			Change		
	(1) Ordinary	(2) Capital	(3) (Col 1+2) Total	(4) Ordinary	(5) Capital	(6) (Col 4+5) Total	(7) (Col 1-4) Ordinary	(8) (Col 2-5) Capital	(9) (Col 7+8) Total
(a) Federal Income Taxes Paid In Prior Years Recoverable Through Loss Carrybacks.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(b) Adjusted Gross Deferred Tax Assets Expected To Be Realized (Excluding The Amount Of Deferred Tax Assets From 2(a) above) After Application of the Threshold Limitations. (The Lesser of 2(b)1 and 2(b)2 Below)	396,534	2,466	399,000	974,939	11,061	986,000	(578,405)	(8,595)	(587,000)
1. Adjusted Gross Deferred Tax Assets Expected to be Realized Following the Balance Sheet Date.	XXX	XXX	-	XXX	XXX	-	XXX	XXX	-
2. Adjusted Gross Deferred Tax Assets Allowed per Limitation Threshold.	XXX	XXX	399,000	XXX	XXX	986,000	XXX	XXX	(587,000)
(c) Adjusted Gross Deferred Tax Assets (Excluding The Amount Of Deferred Tax Assets From 2(a) and 2(b) above) Offset by Gross Deferred Tax Liabilities.	320,985	-	320,985	170,727	-	170,727	150,258	-	150,258
(d) Deferred tax Assets Admitted as the result of application of SSAP No. 101.	\$ 717,519	\$ 2,466	\$ 719,985	\$ 1,145,666	\$ 11,061	\$ 1,156,727	\$ (428,147)	\$ (8,595)	\$ (436,742)
Total (2(a) + 2(b) + 2(c))	\$ 717,519	\$ 2,466	\$ 719,985	\$ 1,145,666	\$ 11,061	\$ 1,156,727	\$ (428,147)	\$ (8,595)	\$ (436,742)

3.

	2017	2016
(a) Ratio Percentage Used To Determine Recovery Period And Threshold Limitation Amount.	1230%	1185%
(b) Amount of Adjusted Capital and Surplus Used To Determine Recovery Period And Threshold Limitation In 2(b)2 Above.	\$ 18,345,468	\$ 15,781,214

4. Impact of Tax-Planning Strategies

	12/31/2017		12/31/2016		Change	
	(1) Ordinary	(2) Capital	(3) Ordinary	(4) Capital	(7) (Col 1-3) Ordinary	(8) (Col 2-4) Capital
(a) Determination of Adjusted Gross Deferred Tax Assets and Net Admitted Deferred Tax Assets By Tax Character As A Percentage	\$ 1,257,400	\$ 2,466	\$ 2,484,871	\$ 11,061	\$ (1,227,471)	\$ (8,595)
1. Adjusted Gross DTAs Amount From Note 9A1(c)	0.000%	0.196%	0.000%	0.443%	0.000%	-0.247%
2. Percentage of Adjusted Gross DTAs By Tax Character Attributable To The Impact Of Tax Planning Strategies	717,519	2,466	1,145,666	11,061	(428,147)	(8,595)
3. Net Admitted Adjusted Gross DTAs Amount from Note 9A1(e)	0.000%	0.343%	0.000%	0.956%	0.000%	-0.614%
4. Percentage Of Net Admitted Adjusted Gross DTAs By Tax Character Admitted Because Of The Impact Of Tax Planning Strategies						

(b) Does the Company's Tax-planning Strategies include the use of reinsurance?

Yes _____ No X _____

B. The Company does not have any deferred tax liabilities that are not recognized.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE GERMAN MUTUAL INSURANCE COMPANY
Notes to Financial Statements

C. Current income taxes incurred consist of the following major components:

	(1)	(2)	(3)
	12/31/2017	12/31/2016	(Col 1-2)
1. Current Income Tax			
(a) Federal	\$ (136,764)	\$ 50,481	\$ (187,245)
(b) Foreign	-	-	-
(c) Subtotal	(136,764)	50,481	(187,245)
(d) Federal income tax on net capital gains	169,746	10,823	158,923
(e) Utilization of capital loss carry-forwards	-	-	-
(f) Other	-	-	-
(g) Federal and foreign income taxes incurred	\$ 32,982	\$ 61,304	\$ (28,322)
2. Deferred Tax Assets:			
(a) Ordinary			
(1) Discounting of unpaid losses	\$ 56,738	\$ 81,911	\$ (25,173)
(2) Unearned premium reserve	386,564	583,112	(196,548)
(3) Policyholder reserves	-	-	-
(4) Investments	-	-	-
(5) Deferred acquisition costs	-	-	-
(6) Policyholder dividends accrual	-	-	-
(7) Fixed assets	-	-	-
(8) Compensation and benefits accrual	71,004	116,163	(45,159)
(9) Pension accrual	-	-	-
(10) Receivables - nonadmitted	557,121	1,523,525	(966,404)
(11) Net operating loss carry-forward	175,205	142,749	32,456
(12) Tax credit carry-forward	10,768	37,411	(26,643)
(13) Other (including items <5% of total ordinary tax assets)	\$ 1,257,400	\$ 2,484,871	\$ (1,227,471)
(99) Subtotal	539,881	1,339,205	(799,324)
(b) Statutory valuation allowance adjustment	\$ 717,519	\$ 1,145,666	\$ (428,147)
(c) Nonadmitted			
(d) Admitted ordinary deferred tax assets (2a99-2b-2c)			
(e) Capital:			
(1) Investments	\$ 2,466	\$ 11,061	\$ (8,595)
(2) Net capital loss carry-forward	-	-	-
(3) Real estate	-	-	-
(4) Other (including items <5% of total capital tax assets)	-	-	-
(99) Subtotal	\$ 2,466	\$ 11,061	\$ (8,595)
(f) Statutory valuation allowance adjustment	-	-	-
(g) Nonadmitted			
(h) Admitted capital deferred tax assets (2e99-2f-2g)			
(i) Admitted deferred tax assets (2d+2h)	\$ 719,985	\$ 1,156,727	\$ (436,742)
3. Deferred Tax Liabilities:			
(a) Ordinary			
(1) Investments	\$ -	\$ -	\$ -
(2) Fixed assets	11,603	16,795	(5,192)
(3) Deferred and uncollected premium	-	-	-
(4) Policyholder reserves	-	-	-
(5) Other (including items <5% of total ordinary tax liabilities)	4,378	7,257	(2,879)
(99) Subtotal	\$ 15,981	\$ 24,052	\$ (8,071)
(b) Capital:			
(1) Investments	305,004	146,675	\$ 158,329
(2) Real estate	-	-	-
(3) Other (including items <5% of total capital tax liabilities)	-	-	-
(99) Subtotal	\$ 305,004	\$ 146,675	\$ 158,329
(c) Deferred tax liabilities (3a99+3b99)	\$ 320,985	\$ 170,727	\$ 150,258
4. Net deferred tax assets; (2i-3c)	\$ 399,000	\$ 986,000	\$ (587,000)

The change in net deferred income taxes for 2017 and 2016 is as follows:

	2017	2016	Change
Adjusted gross deferred tax assets	\$ 1,259,866	\$ 2,495,932	\$ (1,236,066)
Total deferred tax liabilities	320,985	170,727	150,258
Net deferred tax asset	\$ 938,881	\$ 2,325,205	(1,386,324)
Tax effect of unrealized investment gains (losses)		158,329	
Change in net deferred income tax		\$ (1,227,995)	
	2016	2015	Change
Adjusted gross deferred tax assets	\$ 2,495,932	\$ 3,462,190	\$ (966,258)
Total deferred tax liabilities	170,727	25,384	145,343
Net deferred tax asset	\$ 2,325,205	\$ 3,436,806	(1,111,601)
Tax effect of unrealized investment gains (losses)		137,969	
Change in net deferred income tax		\$ (973,632)	

D. The provision for federal income taxes incurred is different from that which would be obtained by applying the statutory Federal income tax rate to pretax income. The significant items causing this difference are as follows:

	2017	2016
Provision computed at statutory rate (34%)	\$ 584,953	\$ 991,929
Tax-exempt interest	(3,635)	(3,820)
Dividend received deduction	(24,414)	(25,745)
Non-deductible expenses	4,525	3,429
Change in non-admitted assets	18,134	35,746
Effect of Tax Reform Act	661,563	-
Prior year accrual adjustment	(918)	-
Other	20,769	33,397
Total statutory income taxes	\$ 1,260,977	\$ 1,034,936
Total federal income taxes incurred	\$ 32,982	\$ 61,304
Change in net deferred income taxes	1,227,995	973,632
Total statutory income taxes	\$ 1,260,977	\$ 1,034,936

Notes to Financial Statements

- E. 1. The Company has \$2,652,959 in unused operating loss carryforwards which can be utilized to offset taxable income in future periods. These losses begin to expire in 2024. The Company has no capital loss carryforward amounts. The Company has \$175,205 of alternative minimum tax credit carryforwards available indefinitely to offset future regular taxable income.
- 2. The Company has no federal income taxes incurred in the current year or prior years that are available for recoupment in the event of future net losses.
- 3. The Company does not have any deposits admitted under Section 6603 of the Internal Revenue Service Code.
- F. The Company's federal income tax return is not consolidated with that of an other entity.
- G. The Company had no federal or foreign income tax loss contingencies.

10 Information Concerning Parent, Subsidiaries, Affiliates and Other Related Parties

- A. The Company affiliated with Goodville Mutual Casualty Company of New Holland, PA effective July 1, 2013. The affiliation includes a 100% pooling arrangement and the companies are operating under common management. The Company receives a 15% share of the total pool while Goodville Mutual retains 85% of the 100% pooling arrangement. The pooling arrangement provides for the cession of activity from all lines of insurance written, including premium, losses and loss adjustment expenses from the Company to Goodville Mutual. The Company and Goodville Mutual also share expenses related to their joint operations. These expenses are allocated in the same proportion as the reinsurance activity.
- B. The Company did not enter into any related party transactions other than the reinsurance pooling arrangement with its affiliate Goodville Mutual Casualty Company.
- C. There were no related party transactions to record in 2017 or 2016.
- D. At December 31, 2017, the Company reported \$706,917 as amounts due from Goodville Mutual Casualty Company as a result of the intercompany pooling arrangement. The terms of settlement require that these amounts be settled within 45 days.
- E. The Company had no guarantees or undertakings with related parties.
- F. The Company had no material management or service contracts and cost-sharing arrangements with a related party other than the reinsurance pooling arrangement with Goodville Mutual.
- G. The Company is under common management with its affiliate Goodville Mutual. The reinsurance pooling arrangement significantly effects the operating results and financial position of the Company.
- H. The Company does not have either a parent or subsidiary.
- I. The Company does not have any investments in an SCA entity.
- J. The Company did not write down any investments in SCA entities during the current year.
- K. The Company does not have any investments in foreign insurance subsidiaries.
- L. The Company does not hold an investment in a downstream noninsurance holding company.
- M. The Company does not have any SCA investments.
- N. The Company does not have any investments in an insurance SCA.

11 Debt

- A. The Company does not have any debt outstanding at December 31, 2017.
- B. The Company does not have any FHLB loan agreements at December 31, 2017.

12 Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

- A. The Company sponsors a postretirement health care benefit plan covering substantially all employees of the Company and members of the Board of Directors who reach retirement age while working for the Company, have at least 15 years of service, and were employed as of December 31, 2004. This plan also covers the employee's spouse who has reached retirement age. The Company has terminated this plan for all employees hired and directors elected after December 31, 2004. The Company does not sponsor a defined benefit pension plan or special or contractual termination benefit plan.

Notes to Financial Statements

A summary of assets, obligations and assumptions of the Postretirement Benefit Plan are as follows at December 31, 2017 and 2016:

1. Change in benefit obligation

b. Postretirement Benefits

	<u>Underfunded</u>	
	2017	2016
1. Benefit obligation at beginning of year	\$ 1,088,611	\$ 1,306,407
2. Service cost	109,712	121,298
3. Interest cost	61,859	62,422
4. Contribution by plan participants	-	-
5. Actuarial (gain)/loss	325,181	(335,900)
6. Foreign currency exchange rate changes	-	-
7. Benefit payments	(62,266)	(65,616)
8. Plan amendments	-	-
9. Business combinations, divestitures, curtailments, settlements and special termination benefits	-	-
10. Benefit obligation at end of year	<u>\$ 1,523,097</u>	<u>\$ 1,088,611</u>

The Company also accrues a nonvested liability. The total amount accrued as of December 31, 2017 is \$790,208.

2. Change in Plan Assets

	<u>Postretirement Benefits</u>	
	2017	2016
a. Fair value of plan assets at beginning of year	\$ -	\$ -
b. Actual return on plan assets	-	-
c. Foreign currency exchange rate changes	-	-
d. Reporting entity contribution	62,266	65,616
e. Plan participants' contributions	-	-
f. Benefits paid	(62,266)	(65,616)
g. Business combinations, divestitures and settlements	-	-
h. Fair value of plan assets at end of year	<u>\$ -</u>	<u>\$ -</u>

3. Funded status

	<u>Postretirement Benefits</u>	
	2017	2016
a. Components:		
1. Prepaid benefit costs	\$ -	\$ -
2. Overfunded plan assets	\$ -	\$ -
3. Accrued benefit costs	\$ 1,523,097	\$ 1,088,611
4. Liability for pension benefits	\$ -	\$ -
b. Assets and liabilities recognized		
1. Assets (nonadmitted)	\$ -	\$ -
2. Liabilities recognized	\$ 1,523,097	\$ 1,088,611
c. Unrecognized liabilities	\$ 592,081	\$ 434,894

4. Components of net periodic benefit cost

	<u>Postretirement Benefits</u>	
	2017	2016
a. Service cost	\$ 109,712	\$ 121,298
b. Interest cost	61,859	62,422
c. Expected return on plan assets	-	-
d. Transition asset or obligation	241,745	241,745
e. Gains and losses	(73,751)	(45,974)
f. Prior service cost or credit	-	-
g. Gain or loss recognized due to a settlement or curtailment	-	-
h. Total net periodic benefit cost	<u>\$ 339,565</u>	<u>\$ 379,491</u>

5. Amounts in unassigned funds (surplus) recognized as components of net periodic benefit cost

	<u>Postretirement Benefits</u>	
	2017	2016
a. Items not yet recognized as a component of net periodic cost - prior year	\$ 1,185,312	\$ 1,382,864
b. Net transition asset or obligation recognized	(197,552)	(197,552)
c. Net prior service cost or credit arising during the period	-	-
d. Net prior service cost or credit recognized	-	-
e. Net gain and loss arising during the period	-	-
f. Net gain and loss recognized	-	-
g. Items not yet recognized as a component of net periodic cost - current year	<u>\$ 987,760</u>	<u>\$ 1,185,312</u>

6. Amounts in unassigned funds (surplus) expected to be recognized in the next fiscal year as components of net periodic benefit cost

	<u>Postretirement Benefits</u>	
	2017	2016
a. Net transition asset or obligation	\$ 197,552	\$ 197,552
b. Net prior service cost or credit	-	-
c. Net recognized gains and losses	-	-

7. Amounts in unassigned funds (surplus) that have not yet been recognized as components of net periodic benefit cost

	<u>Postretirement Benefits</u>	
	2017	2016
a. Net transition asset or obligation	\$ 987,760	\$ 1,185,312
b. Net prior service cost or credit	-	-
c. Net recognized gains and losses	-	-

Notes to Financial Statements

8. Weighted-average assumptions used to determine net periodic benefit cost as of Dec 31:

	2017	2016
a. Weighted-average discount rate	4.25%	4.25%
b. Expected long-term rate of return on plan assets	0.00%	0.00%
c. Rate of compensation increase	0.00%	0.00%

Weighted-average assumptions used to determine projected benefit obligations as of Dec 31:

	2017	2016
d. Weighted-average discount rate	3.50%	4.25%
e. Rate of compensation increase	0.00%	0.00%

9. The Company does not have a defined benefit pension plan.

10. For measurement purposes, a 6.5 percent annual rate of increase in the per capita cost of covered health care benefits was assumed for 2017. The rate was assumed to decrease gradually to 5 percent for 2021 and remain at that level thereafter.

11. Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

	1 Percentage Point Increase	1 Percentage Point Decrease
a. Effect on total of service and interest cost components	\$ 40,917	\$ (31,135)
b. Effect on postretirement benefit obligation	\$ 409,252	\$ (317,675)

12. The following estimated future payments, which reflect expected future service, as appropriate, are expected to be paid in the years indicated:

	<u>Year</u>	<u>Amount</u>
a.	2018	\$ 65,594
b.	2019	\$ 74,671
c.	2020	\$ 85,857
d.	2021	\$ 89,729
e.	2022	\$ 95,848
f.	2023-2027	\$ 575,889

13. The Company expects to make contributions of \$65,594 to the plan in 2018.

20. The Company's accumulated postretirement benefit obligation, including the transition liability recognized, was \$2,115,753 and \$1,483,715 as of December 31, 2017 and 2016, respectively. The benefit plan has no plan assets, and therefore, the benefit obligation was underfunded.

21. In 2013, the Company elected to utilize the minimum transition option reflected in SSAP No. 102 and record the nonvested portion of its underfunded Post-Retirement Health Benefit over ten years. The minimum transition liability was \$197,552. In 2017 and 2016, the Company recorded \$197,552 of the liability as a direct charge to surplus. The total nonvested portion to be recorded over ten years is \$1,975,520. As of December 31, 2017, the unrecognized transition liability was \$987,760.

B. The Company's postretirement benefit plan does not have any plan assets for which investment policies and strategies are required.

C. The Company's postretirement benefit plan does not have any plan assets.

D. The Company's postretirement benefit plan does not have any plan assets for which an overall expected long-term rate-of-return-on-assets assumption is determined.

E. The Company maintains a 401(k) plan for eligible employees. Cost of the plan was \$85,288 and \$88,818 for 2017 and 2016, respectively.

F. The Company does not participate in a multiemployer plan.

G. The Company does not participate in a consolidated/holding company plan.

H. The Company does not have any obligations for postemployment benefits or compensated absences.

I. The Company does not provide any benefits that would be materially impacted by the Medicare Modernization Act of 2003.

13 Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

1. The Company is a mutual insurance company and therefore does not have any issued or outstanding stock and is not eligible to pay stockholder dividends.

6. There were no restrictions placed on the Company's surplus, including for whom surplus is being held.

7. The Company did not have any advances to surplus.

10. The portion of surplus represented or (reduced) by unrealized gains or (losses) as of December 31, 2017 is:

Unrealized gains and (losses) \$ 1,452,399

11. The Company has not issued any surplus notes.

12. The Company has not entered into a quasi-reorganization.

Notes to Financial Statements

14 Liabilities, Contingencies and Assessments

A. Contingent Commitments – None at December 31, 2017.

B. Assessments

The Company is subject to guaranty fund and other assessments by states in which it writes business. Guaranty fund assessments should be accrued at the time the insolvencies are known. Based upon available information the Company has provided a gross liability of \$0 and \$0 as of December 31, 2017 and 2016, respectively, for guaranty fund assessments. There were no refunds from or payments to the Ohio Insurance Guaranty Association in 2017.

C. Gain Contingencies – None at December 31, 2017.

D. During the current year, the Company has not paid any amounts to settle claims related to extra contractual obligations or bad faith losses.

E. Product Warranties.

The Company does not write or issue product warranties.

F. Joint and Several Liabilities

The Company does not have any joint and several liability arrangements accounted for under SSAP No. 5R.

G. All Other Contingencies

Various lawsuits against the Company have arisen in the course of the Company's business including the adjustment of claims. Contingent liabilities arising from such litigation are not considered material in relation to the financial position of the Company. The Company has no asset that it considers to be impaired.

15 Leases

The Company does not have material lease obligations at December 31, 2017.

16 Information about Financial Instruments with Off-Balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk

The Company does not own any financial instruments with off-balance sheet credit risk.

Financial instruments and other assets which potentially expose the Company to concentrations of credit risk consist primarily of bonds, other than U.S. government bonds, cash and short-term investments, premiums in course of collection and balances recoverable from reinsurers.

Non-U.S. government bonds are diversified and no one investment in bonds accounted for a significant portion of the Company's invested assets.

The Company's investment in a money market fund issued by Wells Fargo Bank represents 1.35% of the Company's total assets at December 31, 2017.

The Company maintains cash in bank deposit accounts that, at times, may exceed the federally insured limits. The Company has not experienced any losses from bank accounts.

As of December 31, 2017, the Company had an uncollateralized net reinsurance balance of approximately \$183,000 for paid and unpaid losses and loss adjustment expenses due from 10 reinsurers which each has an A. M. Best rating of A- or higher.

17 Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

A. The Company did not engage in any transfers of receivables reported as sales.

B. The Company did not enter into any transactions involving the transfer and servicing of financial assets.

C. The Company did not enter into any wash sale transactions during the current year.

18 Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

The Company did not serve as administrator for any uninsured or partially insured accident and health plans during the current year.

Notes to Financial Statements

19 Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

The Company did not have any direct premium written or produced through managing general agents or third party administrators during the current year.

20 Fair Value Measurements

A. The Company has used the following methods and assumptions to estimate the fair value of each class of financial instruments for which it is practicable to estimate:

Investments – The fair value of stocks are primarily based upon quoted market prices. The fair value of bonds are primarily based upon either quoted market prices or inputs derived principally from or corroborated from observable market information.

Cash and short-term investments - The carrying amounts reported in the statements of admitted assets, liabilities and policyholders' surplus for these instruments approximate their fair values.

The Company ranks the quality and reliability of inputs, or assumptions, used in the determination of fair value and requires financial assets and liabilities carried or disclosed at fair value to be classified and disclosed in one of the following three categories:

Level 1 - Represents quoted prices in active markets for identical assets and liabilities. The Company considers U.S. treasury securities, covered call options and exchange-traded stocks to be Level 1 assets.

Level 2 - Represents financial assets whose fair value is determined based upon: quoted market prices for similar assets in active markets; quoted market prices for identical assets in inactive markets; inputs other than quoted market prices that are observable for the asset, such as interest rates or yield curves or other inputs derived principally from or corroborated from other observable market information. The Company considers all bonds, except U.S. treasury securities, to be Level 2 assets.

Level 3 - Represents financial assets whose fair value is determined based upon inputs that are unobservable.

1. The following table presents the fair value measurements for financial instruments measured and reported at fair value as of December 31, 2017.

Description for each class of asset or liability	(Level 1)	(Level 2)	(Level 3)	Total
a. Asset at fair value:				
Bonds:				
Industrial and Misc	\$ -	\$ 437,678	\$ -	\$ 437,678
Total Bonds	\$ -	\$ 437,678	\$ -	\$ 437,678
Common Stock:				
Industrial and Misc	\$ 8,158,945	\$ 14,637	\$ 20,990	\$ 8,194,572
Total Common Stocks	\$ 8,158,945	\$ 14,637	\$ 20,990	\$ 8,194,572
Total assets at fair value	\$ 8,158,945	\$ 452,315	\$ 20,990	\$ 8,632,250
b. Liabilities at fair value:				
Derivative liabilities	\$ -	\$ -	\$ -	\$ -
Total liabilities at fair value	\$ -	\$ -	\$ -	\$ -

2. Changes in Level 3 assets are as follows:

Description	Beginning Balance at 1/1/2017	Transfers into Level 3	Transfers out of Level 3	Total gains and (losses) included in Net Income	Total gains and (losses) included in Surplus	Purchases				Issuances				Sales				Settlements				Ending Balance at 12/31/2017
a. Assets																						
Common Stock	20,168				822																20,990	
Total Assets	\$ 20,168	\$ -	\$ -	\$ -	\$ 822	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,990	
b. Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total Liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

3. Transfers between levels are recognized at the end of the reporting period.

4. Fair value measurements are determined based upon quoted market prices for similar assets in active markets, quoted market prices for identical assets in inactive markets, inputs other than quoted market prices that are observable for the asset, such as interest rates or yield curves, or other inputs derived principally from or corroborated from other observable market information.

5. The Company does not hold any derivative assets or liabilities.

- C. The fair value of all financial instruments and their carrying value are as follows:

Type of Financial Instrument	Aggregate Fair Value	Admitted Assets	Not Practicable (Carrying Value)		
			(Level 1)	(Level 2)	(Level 3)
Bonds	\$ 25,488,645	\$ 25,488,645	\$ -	\$ 25,488,645	\$ -
Common Stock	8,194,572	8,194,572	8,158,945	14,637	20,990
Perpetual Preferred Stock	313,586	313,586	209,546	104,040	-
	\$ 33,996,803	\$ 33,996,803	\$ 8,368,491	\$ 25,607,322	\$ 20,990

- D. The Company does not hold any financial instruments for which it is not practicable to estimate fair value.

Notes to Financial Statements

21 Other Items

- A. The Company did not report any unusual or infrequent items in the current year.
- B. The Company did not restructure any troubled debt in the current year.
- C. At December 31, 2017, the Company had admitted assets of \$15,173 in amounts due from insureds. The Company routinely assesses the collectability of these receivables. Amounts, if any, that may become uncollectible and the related loss are not material to the Company's financial condition.
- D. The Company did not have any events giving rise to business interruption insurance recoveries.
- E. The Company does not have any state transferable and non-transferable tax credits.
- F. The Company did not have any exposure to subprime-mortgage-related risk in the current year.
- G. The Company does not have any insurance-linked securities contracts.

22 Events Subsequent

There are no material events occurring subsequent to December 31, 2017. Subsequent events have been considered through February 15, 2018.

The Company is not subject to any fees or assessments under the Federal Affordable Care Act (ACA).

23 Reinsurance

- A. Unsecured Reinsurance Recoverables. The Company does not have an unsecured aggregate recoverable for losses, paid and unpaid including IBNR, loss adjustment expenses and unearned premium with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.
- B. Reinsurance Recoverable in Dispute. The Company does not have a reinsurance recoverable on paid or unpaid losses in dispute where the amount from any one reinsurer exceeds 5% of the Company's policyholder surplus or where the aggregate amount of all disputed items exceeds 10% of the Company's policyholder surplus at December 31, 2017.
- C. Reinsurance Assumed and Ceded

	Assumed Reinsurance		Ceded Reinsurance		Net	
	(1) Premium Reserve	(2) Commission Equity	(3) Premium Reserve	(4) Commission Equity	(5) Premium Reserve	(6) Commission Equity
a. Affiliates	\$ 9,203,901	\$ -	\$ 17,805	\$ -	\$ 9,186,096	\$ -
b. All other	17,805	6,463	-	-	17,805	6,463
c. Total	<u>\$ 9,221,706</u>	<u>\$ 6,463</u>	<u>\$ 17,805</u>	<u>\$ -</u>	<u>\$ 9,203,901</u>	<u>\$ 6,463</u>
d. Direct Unearned Premium Reserve	\$ -					

- 2. The additional or return commission, predicated on loss experience or on any other form of profit sharing arrangements in this annual statement as a result of existing contractual arrangements are accrued as follows:

	(1) Direct	Reinsurance		(4) Net
		(2) Assumed	(3) Ceded	
a. Contingent Commissions	\$ -	\$ (14,124)	\$ -	\$ (14,124)
b. Sliding Scale Adjustments	-	-	-	-
c. Other Profit Commission Arrangements	-	-	-	-
d. Total	<u>\$ -</u>	<u>\$ (14,124)</u>	<u>\$ -</u>	<u>\$ (14,124)</u>

- 3. The Company does not have protected cells.

D. Uncollectible Reinsurance

The Company did not write-off any reinsurance balances during the current year.

E. Commutation of Ceded Reinsurance

The Company did not commute any reinsurance during the current year.

F. Retroactive Reinsurance

The Company did not enter into any retroactive reinsurance arrangements during the current year.

G. Reinsurance Accounted for as a Deposit

The Company does not have any reinsurance accounted for as a deposit.

Notes to Financial Statements

H. Property and Casualty Run-Off Agreements

The Company does not have any agreements which have been approved for Run-Off Accounting Treatment.

I. Certified Reinsurer Rating Downgraded or Status Subject to Revocation

(1) Reporting Entity Ceding to Certified Reinsurer Whose Rating Was Downgraded or Status Subject to Revocation - None

(2) Reporting Entity's Certified Reinsurer Rating Downgraded or Status Subject to Revocation - None

J. Reinsurance Agreements Qualifying for Reinsurer Aggregation

The Company does not have any retroactive reinsurance agreements covering asbestos and pollution liabilities that qualify for aggregation in accordance with SSAP No. 67R.

24 Retrospectively Rated Contracts & Contracts Subject to Redetermination

The Company does not write any contracts with retroactive rated contract terms nor has it written any accident and health insurance premium that is subject to the ACA risk-sharing provisions.

25 Incurred Losses and Loss Adjustment Expenses

- A. Loss and loss adjusting reserves as of December 31, 2016 were \$6,452,515. As of December 31, 2017, \$3,016,049 has been paid for incurred losses and loss adjustment expenses attributable to insured events of prior years. Reserves remaining for prior years are now \$2,985,141 as a result of re-estimation of unpaid claims and claim adjustment expenses and settlement of prior year claims. Therefore, there has been \$451,325 favorable prior year development since December 31, 2016 to December 31, 2017. The favorable development is the result of changes in original estimates as additional information becomes known on individual claims, IBNR reserve changes, and settlement of individual claims at amounts that deviate from reserves. The activity and balances reflect the pooling arrangement.
- B. The Company did not make any significant changes in methodologies and assumptions used in calculating the liability for unpaid losses and loss adjustment expenses in the current year.

26 Intercompany Pooling Arrangements

- A. The Company participates in an intercompany pooling arrangement with Goodville Mutual Casualty Company (NAIC: 14044). The Company receives a 15% share of the total pool while Goodville Mutual retains 85% of the 100% pooling arrangement.
- B. The pooling arrangement provides for the cession of activity from all lines of insurance written, including premium, losses and loss adjustment expenses from the Company to Goodville Mutual. The Company and Goodville Mutual also share expenses related to their joint operations. These expenses are allocated in the same proportion as the reinsurance activity.
- C. All business ceded to non-affiliated reinsurers is recorded prior to the cession of pooled business and is included in the intercompany pooling arrangement.
- D. The Company and Goodville Mutual maintain joint reinsurance agreements with non-affiliated reinsurers for all agreements except equipment breakdown reinsurance contracts which are held separately.
- E. There were no discrepancies between the reinsurance schedules of the Company and Goodville Mutual.
- F. The Company and its affiliate did not record a provision for reinsurance or write off uncollectible reinsurance in the current year.
- G. Amounts Receivable (Payable) from (to) Goodville Mutual under this arrangement at December 31, 2017 are as follows:

Reinsurance recoverable on loss and loss adjustment expenses	\$ 410,996
Premiums in course of collection	5,485,937
Receivable from affiliate for expenses	1,024,702
Ceded reinsurance premiums payable	6,516
Reinsurance payable on loss and loss adjustment expenses	(3,183,188)
Payable to affiliate for expenses	<u>(3,038,046)</u>
Net Receivable (Payable)	<u><u>\$ 706,917</u></u>

27 Structured Settlements

The Company has not purchased annuities to fund future claims payments.

Notes to Financial Statements

28 Health Care Receivables

The Company does not have health care receivables.

29 Participating Policies

The Company does not write accident and health insurance.

30 Premium Deficiency Reserves

At December 31, 2017, the Company did not have any liabilities related to premium deficiency reserves. The Company considers anticipated investment income when testing for a premium deficiency.

31 High Deductibles

The Company does not issue high deductible policies.

32 Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses

The Company does not discount liabilities for unpaid losses or unpaid loss adjustment expenses.

33 Asbestos/Environmental Reserves

The Company does not have exposure to asbestos or environmental claims.

34 Subscriber Savings Accounts

The Company is not a reciprocal insurance company and accordingly, has no subscriber savings accounts.

35 Multiple Peril Crop Insurance

The Company does not write multiple peril crop insurance.

36 Financial Guaranty Insurance

The Company does not write financial guaranty insurance.

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES

GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer?

Yes[X] No[]

If yes, complete Schedule Y, Parts 1, 1A and 2.

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations?

Yes[X] No[] N/A[]
Ohio.....

1.3 State Regulating?

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X].....

2.2 If yes, date of change:

12/31/2016.....

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2011.....

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

03/08/2013.....

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

3.4 By what department or departments?

Ohio Department of Insurance
Yes[] No[] N/A[X]
Yes[] No[] N/A[X]

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with departments?

3.6 Have all of the recommendations within the latest financial examination report been complied with?

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity) receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes[] No[X]
Yes[] No[X]

4.11 sales of new business?

4.12 renewals?

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:

Yes[] No[X]
Yes[] No[X]

4.21 sales of new business?

4.22 renewals?

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]

5.2 If yes, provide the name of the entity, NAIC company code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile
.....

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity?

Yes[] No[X]

7.2 If yes,

7.21 State the percentage of foreign control

0.000%

7.22 State the nationality(s) of the foreign person(s) or entity(s); or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact and identify the type of entity(s) (e.g., individual, corporation, government, manager or attorney-in-fact).

1 Nationality	2 Type of Entity
.....

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

Yes[] No[X]

8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC) and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 FDIC	6 SEC
..... No .....	..... No .....	..... No .....	..... No

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?

Brown Schultz Sheridan Fritz, P.O. Box 67865, Harrisburg, PA 17106-7865

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation?

Yes[] No[X]

10.2 If response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 18A of the Model Regulation, or substantially similar state law or regulation?

Yes[] No[X]

10.4 If response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws?

Yes[X] No[] N/A[]

10.6 If the response to 10.5 is no or n/a please explain:

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?

Robert Van Epps, Financial Risk Analysts, 706 Northeast Drive, Suite 4, Davidson, NC 28036

GENERAL INTERROGATORIES (Continued)

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [] No [X] \$..... 0

12.11 Name of real estate holding company
12.12 Number of parcels involved
12.13 Total book/adjusted carrying value

12.2 If yes, provide explanation

13. FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity? Yes [] No [] N/A [X]

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [] No [] N/A [X]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [] No [] N/A [X]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [] No [] N/A [X]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No []

a. Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;

b. Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;

c. Compliance with applicable governmental laws, rules and regulations;

d. The prompt internal reporting of violations to an appropriate person or persons identified in the code; and

e. Accountability for adherence to the code.

14.11 If the response to 14.1 is no, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [] No [X]

14.21 If the response to 14.2 is yes, provide information related to amendment(s). Yes [] No [X]

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s). Yes [] No [X]

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance where the issuing or confirming bank is not on the SVO Bank List? Yes [] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered. Yes [] No [X]

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount
.....

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the Board of Directors or a subordinate committee thereof? Yes [X] No []

17. Does the reporting entity keep a complete permanent record of the proceedings of its Board of Directors and all subordinate committees thereof? Yes [X] No []

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict or is likely to conflict with the official duties of such person? Yes [X] No []

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):

20.11 To directors or other officers \$..... 0

20.12 To stockholders not officers \$..... 0

20.13 Trustees, supreme or grand (Fraternal only) \$..... 0

20.2 Total amount of loans outstanding at end of year (inclusive of Separate Accounts, exclusive of policy loans):

20.21 To directors or other officers \$..... 0

20.22 To stockholders not officers \$..... 0

20.23 Trustees, supreme or grand (Fraternal only) \$..... 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:

21.21 Rented from others \$..... 0

21.22 Borrowed from others \$..... 0

21.23 Leased from others \$..... 0

21.24 Other \$..... 0

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [] No [X]

22.2 If answer is yes:

22.21 Amount paid as losses or risk adjustment \$..... 0

22.22 Amount paid as expenses \$..... 0

22.23 Other amounts paid \$..... 0

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: \$..... 0

INVESTMENT

24.01 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.03) Yes [] No [X]

24.02 If no, give full and complete information, relating thereto
The Company has a custodial agreement with Wells Fargo Bank, N.A., which is a qualified bank or trust company in accordance with the requirements of the NAIC Financial Conditions Examiners Handbook.

24.03 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.04 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [] No [] N/A [X]

24.05 If answer to 24.04 is yes, report amount of collateral for conforming programs. \$..... 0

24.06 If answer to 24.04 is no, report amount of collateral for other programs. \$..... 0

24.07 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [] No [] N/A [X]

GENERAL INTERROGATORIES (Continued)

24.08 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes[] No[] N/A[X]

24.09 Does the reporting entity or the reporting entity's securities lending agent utilize the Master Securities Lending Agreement (MSLA) to conduct securities lending? Yes[] No[] N/A[X]

24.10 For the reporting entity's security lending program, state the amount of the following as of December 31 of the current year:
 24.101 Total fair value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 24.102 Total book/adjusted carrying value of reinvested collateral assets reported on Schedule DL, Parts 1 and 2. \$ 0
 24.103 Total payable for securities lending reported on the liability page. \$ 0

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.03). Yes[] No[X]

25.2 If yes, state the amount thereof at December 31 of the current year:
 25.21 Subject to repurchase agreements \$ 0
 25.22 Subject to reverse repurchase agreements \$ 0
 25.23 Subject to dollar repurchase agreements \$ 0
 25.24 Subject to reverse dollar repurchase agreements \$ 0
 25.25 Placed under option agreements \$ 0
 25.26 Letter stock or securities restricted as to sale - excluding FHLB Capital Stock \$ 0
 25.27 FHLB Capital Stock \$ 0
 25.28 On deposit with states \$ 0
 25.29 On deposit with other regulatory bodies \$ 0
 25.30 Pledged as collateral - excluding collateral pledged to an FHLB \$ 0
 25.31 Pledged as collateral to FHLB - including assets backing funding agreements \$ 0
 25.32 Other \$ 0

25.3 For category (25.26) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes[] No[X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes[] No[] N/A[X]
 If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes[] No[X]

27.2 If yes, state the amount thereof at December 31 of the current year. \$ 0

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section I, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes[X] No[]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Wells Fargo Bank, N.A.	420 Montgomery Street, San Francisco, CA 44104

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes[] No[X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Investment management - Identify all investment advisors, investment managers, broker/dealers, including individuals that have the authority to make investment decisions on behalf of the reporting entity. For assets that are managed internally by employees of the reporting entity, note as such. [" that have access to the investment accounts"; " handle securities"]

1 Name of Firm or Individual	2 Affiliation
James M Harder	
David C Gautsche	
Allon H Lefever	
Philip W Shirk	
Chicago Equity Partners, LLC	U
Asset Allocation and Management Company, LLC	U
The Concord Advisory Group LTD	U
Zazove Associates LLC	U

28.0597 For those firms/individuals listed in the table for Question 28.05, do any firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") manage more than 10% of the reporting entity's assets? Yes[X] No[]

28.0598 For firms/individuals unaffiliated with the reporting entity (i.e. designated with a "U") listed in the table for Question 28.05, does the total assets under management aggregate to more than 50% of the reporting entity's assets? Yes[X] No[]

28.06 For those firms or individuals listed in the table for 28.05 with an affiliation code of "A" (affiliated) or "U" (unaffiliated), provide the information for the table below.

GENERAL INTERROGATORIES (Continued)

1 Central Registration Depository Number	2 Name of Firm or Individual	3 Legal Entity Identifier (LEI)	4 Registered With	5 Investment Management Agreement (IMA) Filed
109421	Chicago Equity Partners, LLC .....	.....	SEC	NO
109875	Asset Allocation and Management Company, LLC .....	.....	SEC	NO
107291	The Concord Advisory Group LTD .....	.....	SEC	NO
104751	Zazove Associates LLC .....	.....	SEC	NO

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D - Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5 (b)(1)])? Yes[X] No[]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
.... 74316J110	BOSTON COMMON INTERNATIONAL FUND	999,719
.... 233203363	DFA EMERG MKTS SOCIAL CORE #5329	220,392
.... 25239Y626	DFA INTL SOCIAL CORE EQUITY #5712	845,505
29.2999 Total .....	.....	2,065,616

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation
BOSTON COMMON INTERNATIONAL FUND	DAIKIN INDUSTRIES	28,192	12/31/2017 ..
BOSTON COMMON INTERNATIONAL FUND	ORIX CORP	26,493	12/31/2017 ..
BOSTON COMMON INTERNATIONAL FUND	UNILEVER N V	25,493	12/31/2017 ..
BOSTON COMMON INTERNATIONAL FUND	FERGUSON PLC	25,393	12/31/2017 ..
BOSTON COMMON INTERNATIONAL FUND	HOYA CORP	25,293	12/31/2017 ..
DFA EMERG MKTS SOCIAL CORE #5329	SAMSUNG ELECTRONICS CO LTD	9,212	12/31/2017 ..
DFA EMERG MKTS SOCIAL CORE #5329	TAIWAN SEMICONDUCTOR	5,929	12/31/2017 ..
DFA EMERG MKTS SOCIAL CORE #5329	TENCENT HOLDINGS LTD	5,356	12/31/2017 ..
DFA EMERG MKTS SOCIAL CORE #5329	ITAU UNIBANCO HOLDING SA	1,961	12/31/2017 ..
DFA EMERG MKTS SOCIAL CORE #5329	CHINA MOBILE LTD	1,917	12/31/2017 ..
DFA INTL SOCIAL CORE EQUITY #5712	ROYAL DUTCH SHELL PLC	8,455	12/31/2017 ..
DFA INTL SOCIAL CORE EQUITY #5712	BP PLC	7,440	12/31/2017 ..
DFA INTL SOCIAL CORE EQUITY #5712	HSBC HOLDINGS PLC	6,764	12/31/2017 ..
DFA INTL SOCIAL CORE EQUITY #5712	BASF SE	4,988	12/31/2017 ..
DFA INTL SOCIAL CORE EQUITY #5712	TOTAL SA	4,650	12/31/2017 ..

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	25,635,969	25,488,645
30.2 Preferred stocks	308,505	313,586
30.3 Totals	25,944,474	25,802,231

30.4 Describe the sources or methods utilized in determining the fair values:
NAIC Valuation of Securities Guide

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes[X] No[]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes[X] No[] N/A[]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Investment Analysis Office been followed? Yes[X] No[]

32.2 If no, list exceptions:

33. By self-designation 5*GI securities, the reporting entity is certifying the following elements for each self-designated 5*GI security:

- Documentation necessary to permit a full credit analysis of the security does not exist.
- Issuer or obligor is current on all contracted interest and principal payments.
- The insurer has an actual expectation of ultimate payment of all contracted interest and principal.

Has the reporting-entity self-designated 5*GI securities? Yes[] No[X]

OTHER

34.1 Amount of payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus, if any?

\$ 101,330

GENERAL INTERROGATORIES (Continued)

34.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to Trade Associations, Service Organizations and Statistical or Rating Bureaus during the period covered by this statement.

1 Name	2 Amount Paid
Insurance Services Office Inc.	45,641

35.1 Amount of payments for legal expenses, if any?

\$ 876

35.2 List the name of the firm and the amount paid if any such payments represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid
Kegel Kelin Almy & Lord LLP	776

36.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or department of government, if any?

\$ 0

36.2 List the name of firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid
.....

GENERAL INTERROGATORIES (Continued)

PART 2 - PROPERTY & CASUALTY INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force?	Yes [] No[X]
1.2 If yes, indicate premium earned on U.S. business only.	\$ 0
1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit?	\$ 0
1.31 Reason for excluding:	
1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above.	\$ 0
1.5 Indicate total incurred claims on all Medicare Supplement insurance.	\$ 0
1.6 Individual policies	
Most current three years:	
1.61 Total premium earned	\$ 0
1.62 Total incurred claims	\$ 0
1.63 Number of covered lives	..... 0
All years prior to most current three years:	
1.64 Total premium earned	\$ 0
1.65 Total incurred claims	\$ 0
1.66 Number of covered lives	..... 0
1.7 Group policies	
Most current three years:	
1.71 Total premium earned	\$ 0
1.72 Total incurred claims	\$ 0
1.73 Number of covered lives	..... 0
All years prior to most current three years:	
1.74 Total premium earned	\$ 0
1.75 Total incurred claims	\$ 0
1.76 Number of covered lives	..... 0

2. Health Test

	1 Current Year	2 Prior Year
2.1 Premium Numerator .....	.....	.....
2.2 Premium Denominator	21,505,983	20,327,431
2.3 Premium Ratio (2.1 / 2.2) .....	.....	.....
2.4 Reserve Numerator .....	.....	.....
2.5 Reserve Denominator	19,927,433	17,876,815
2.6 Reserve Ratio (2.4 / 2.5) .....	.....	.....

3.1 Does the reporting entity issue both participating and non-participating policies?	Yes [] No[X]
3.2 If yes, state the amount of calendar year premiums written on:	
3.21 Participating policies	\$ 0
3.22 Non-participating policies	\$ 0
4. For Mutual reporting entities and Reciprocal Exchanges only:	
4.1 Does the reporting entity issue assessable policies?	Yes [] No[X] N/A[]
4.2 Does the reporting entity issue non-assessable policies?	Yes[X] No[] N/A[]
4.3 If assessable policies are issued, what is the extent of the contingent liability of the policyholders?	0.000%
4.4 Total amount of assessments paid or ordered to be paid during the year on deposit notes or contingent premiums.	\$ 0
5. For Reciprocal Exchanges Only:	
5.1 Does the exchange appoint local agents?	Yes [] No[] N/A[X]
5.2 If yes, is the commission paid:	
5.21 Out of Attorney's-in-fact compensation	Yes [] No[] N/A[X]
5.22 As a direct expense of the exchange	Yes [] No[] N/A[X]
5.3 What expenses of the Exchange are not paid out of the compensation of the Attorney-in-fact?	
5.4 Has any Attorney-in-fact compensation, contingent on fulfillment of certain conditions been deferred?	Yes [] No[] N/A[X]
5.5 If yes, give full information:	
6.1 What provision has this reporting entity made to protect itself from an excessive loss in the event of a catastrophe under a workers' compensation contract issued without limit of loss:	
N/A - No workers compensation contracts issued by company	
6.2 Describe the method used to estimate this reporting entity's probable maximum insurance loss, and identify the type of insured exposures comprising that probable maximum loss, the locations of concentrations of those exposures and the external resources (such as consulting firms or computer software models), if any, used in the estimation process:	
Catastrophe modeling software (AIR and RMS) used to estimate PML. PML includes residences, small commercial and auto exposures in OH (tornado/hail peril).	
6.3 What provision has this reporting entity made (such as a catastrophic reinsurance program) to protect itself from an excessive loss arising from the types and concentrations of insured exposures comprising its probable maximum property insurance loss:	
Catastrophe reinsurance.	
6.4 Does the reporting entity carry catastrophic reinsurance protection for at least one reinstatement, in an amount sufficient to cover its estimated probable maximum loss attributable to a single loss event or occurrence?	
6.5 If no, describe any arrangements or mechanisms employed by the reporting entity to supplement its catastrophe reinsurance program or to hedge its exposure to unreinsured catastrophic loss	Yes[X] No[]
7.1 Has the reporting entity reinsured any risk with any other entity under a quota share reinsurance contract that includes a provision that would limit the reinsurer's losses below the stated quota share percentage (e.g., a deductible, a loss ratio corridor, a loss cap, an aggregate limit or any similar provisions)?	
7.2 If yes, indicate the number of reinsurance contracts containing such provisions.	Yes [] No[X] 0
7.3 If yes, does the amount of reinsurance credit taken reflect the reduction in quota share coverage caused by any applicable limiting provision(s)?	Yes [] No[] N/A[X]
8.1 Has this reporting entity reinsured any risk with any other entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on this risk, or portion thereof, reinsured?	Yes [] No[X]
8.2 If yes, give full information.	
9.1 Has the reporting entity ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates) for which during the period covered by the statement: (i) it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; (ii) it accounted for that contract as reinsurance and not as a deposit; and (iii) the contract(s) contain one or more of the following features or other features that would have similar results:	
(a) A contract term longer than two years and the contract is noncancelable by the reporting entity during the contract term;	

GENERAL INTERROGATORIES (Continued)

- (b) A limited or conditional cancellation provision under which cancellation triggers an obligation by the reporting entity, or an affiliate of the reporting entity, to enter into a new reinsurance contract with the reinsurer, or an affiliate of the reinsurer;
- (c) Aggregate stop loss reinsurance coverage;
- (d) A unilateral right by either party (or both parties) to commute the reinsurance contract, whether conditional or not, except for such provisions which are only triggered by a decline in the credit status of the other party;
- (e) A provision permitting reporting of losses, or payment of losses, less frequently than on a quarterly basis (unless there is no activity during the period); or
- (f) Payment schedule, accumulating retentions from multiple years or any features inherently designed to delay timing of the reimbursement to the ceding entity.

Yes [] No [X]

9.2 Has the reporting entity during the period covered by the statement ceded any risk under any reinsurance contract (or under multiple contracts with the same reinsurer or its affiliates), for which, during the period covered by the statement, it recorded a positive or negative underwriting result greater than 5% of prior year-end surplus as regards policyholders or it reported calendar year written premium ceded or year-end loss and loss expense reserves ceded greater than 5% of prior year-end surplus as regards policyholders; excluding cessions to approved pooling arrangements or to captive insurance companies that are directly or indirectly controlling, controlled by, or under common control with (i) one or more unaffiliated policyholders of the reporting entity, or (ii) an association of which one or more unaffiliated policyholders of the reporting entity is a member where:

- (a) The written premium ceded to the reinsurer by the reporting entity or its affiliates represents fifty percent (50%) or more of the entire direct and assumed premium written by the reinsurer based on its most recently available financial statement; or
- (b) Twenty-five percent (25%) or more of the written premium ceded to the reinsurer has been retroceded back to the reporting entity or its affiliates in a separate reinsurance contract.

Yes [] No [X]

9.3 If yes to 9.1 or 9.2, please provide the following information in the Reinsurance Summary Supplemental Filing for General Interrogatory 9:

- (a) The aggregate financial statement impact gross of all such ceded reinsurance contracts on the balance sheet and statement of income.
- (b) A summary of the reinsurance contract terms and indicate whether it applies to the contracts meeting the criteria in 9.1 or 9.2; and
- (c) A brief discussion of management's principle objectives in entering into the reinsurance contract including the economic purpose to be achieved.

9.4 Except for transactions meeting the requirements of paragraph 31 of SSAP No. 62R, Property and Casualty Reinsurance, has the reporting entity ceded any risk under any reinsurance contract (or multiple contracts with the same reinsurer or its affiliates) during the period covered by the financial statement, and either:

- (a) Accounted for that contract as reinsurance (either prospective or retroactive) under statutory accounting principles ("SAP") and as a deposit under generally accepted accounting principles ("GAAP"); or
- (b) Accounted for that contract as reinsurance under GAAP and as a deposit under SAP?

Yes [] No [X]

9.5 If yes to 9.4, explain in the Reinsurance Summary Supplemental Filing for General Interrogatory 9 (section D) why the contract(s) is treated differently for GAAP and SAP.

9.6 The reporting entity is exempt from the Reinsurance Attestation Supplement under one or more of the following criteria:

- (a) The entity does not utilize reinsurance; or
- (b) The entity only engages in a 100% quota share contract with an affiliate and the affiliated or lead company has filed an attestation supplement; or
- (c) The entity has no external cessions and only participates in an intercompany pool and the affiliated or lead company has filed an attestation supplement.

Yes [] No [X]

Yes [] No [X]

Yes [] No [X]

10. If the reporting entity has assumed risks from another entity, there should be charged on account of such reinsurances a reserve equal to that which the original entity would have been required to charge had it retained the risks. Has this been done?

Yes [X] No [] N/A []

11.1 Has the reporting entity guaranteed policies issued by any other entity and now in force?

Yes [] No [X]

11.2 If yes, give full information:

12.1 If the reporting entity recorded accrued retrospective premiums on insurance contracts on Line 15.3 of the asset schedule, Page 2, state the amount of corresponding liabilities recorded for:

\$ 0
\$ 0
\$ 0

12.11 Unpaid losses

12.12 Unpaid underwriting expenses (including loss adjustment expenses)

12.2 Of the amount on Line 15.3, Page 2, state the amount that is secured by letters of credit, collateral and other funds.

12.3 If the reporting entity underwrites commercial insurance risks, such as workers' compensation, are premium notes or promissory notes accepted from its insureds covering unpaid premiums and/or unpaid losses?

Yes [] No [] N/A [X]

12.4 If yes, provide the range of interest rates charged under such notes during the period covered by this statement:

..... 0.000%
..... 0.000%

12.41 From

12.42 To

12.5 Are letters of credit or collateral and other funds received from insureds being utilized by the reporting entity to secure premium notes or promissory notes taken by a reporting entity, or to secure any of the reporting entity's reported direct unpaid loss reserves, including unpaid losses under loss deductible features of commercial policies?

Yes [] No [X]

12.6 If yes, state the amount thereof at December 31 of current year:

\$ 0
\$ 0

12.61 Letters of Credit

12.62 Collateral and other funds

\$ 450,000

Yes [] No [X]

..... 1

13.1 Largest net aggregate amount insured in any one risk (excluding workers' compensation):

\$ 0
\$ 0

13.2 Does any reinsurance contract considered in the calculation of this amount include an aggregate limit of recovery without also including a reinstatement provision?

Yes [] No [X]

13.3 State the number of reinsurance contracts (excluding individual facultative risk certificates, but including facultative programs, automatic facilities or facultative obligatory contracts) considered in the calculation of the amount.

14.1 Is the company a cedant in a multiple cedant reinsurance contract?

Yes [] No [X]

14.2 If yes, please describe the method of allocating and recording reinsurance among the cedants

Yes [] No [] N/A [X]

14.3 If the answer to 14.1 is yes, are the methods described in item 14.2 entirely contained in the respective multiple cedant reinsurance contracts?

Yes [] No [] N/A [X]

14.4 If the answer to 14.3 is no, are all the methods described in 14.2 entirely contained in written agreements?

14.5 If the answer to 14.4 is no, please explain

15.1 Has the reporting entity guaranteed any financed premium accounts?

Yes [] No [X]

15.2 If yes, give full information:

16.1 Does the reporting entity write any warranty business?

Yes [] No [X]

If yes, disclose the following information for each of the following types of warranty coverage:

	1 Direct Losses Incurred	2 Direct Losses Unpaid	3 Written Premium	4 Premium Unearned	5 Direct Premium Earned
16.11 Home
16.12 Products
16.13 Automobile
16.14 Other *

* Disclose type of coverage:

17.1 Does the reporting entity include amounts recoverable on unauthorized reinsurance in Schedule F - Part 3 that it excludes from Schedule F - Part 5?

Yes [] No [X]

Incurred but not reported losses on contracts in force prior to July 1, 1984 and not subsequently renewed are exempt from inclusion in Schedule F - Part 5. Provide the following information for this exemption.

\$ 0
\$ 0
\$ 0

17.11 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5

17.12 Unfunded portion of Interrogatory 17.11

17.13 Paid losses and loss adjustment expenses portion of Interrogatory 17.11

GENERAL INTERROGATORIES (Continued)

17.14 Case reserves portion of Interrogatory 17.11	\$.....	0
17.15 Incurred but not reported portion of Interrogatory 17.11	\$.....	0
17.16 Unearned premium portion of Interrogatory 17.11	\$.....	0
17.17 Contingent commission portion of Interrogatory 17.11	\$.....	0
Provide the following information for all other amounts included in Schedule F - Part 3 and excluded from Schedule F - Part 5, not included above.		
17.18 Gross amount of unauthorized reinsurance in Schedule F - Part 3 excluded from Schedule F - Part 5	\$.....	0
17.19 Unfunded portion of Interrogatory 17.18	\$.....	0
17.20 Paid losses and loss adjustment expenses portion of Interrogatory 17.18	\$.....	0
17.21 Case reserves portion of Interrogatory 17.18	\$.....	0
17.22 Incurred but not reported portion of Interrogatory 17.18	\$.....	0
17.23 Unearned premium portion of Interrogatory 17.18	\$.....	0
17.24 Contingent commission portion of Interrogatory 17.18	\$.....	0

18.1 Do you act as a custodian for health savings accounts?	Yes[] No[X]
18.2 If yes, please provide the amount of custodial funds held as of the reporting date:	\$..... 0
18.3 Do you act as an administrator for health savings accounts?	Yes[] No[X]
18.4 If yes, please provide the balance of the funds administered as of the reporting date:	\$..... 0

FIVE - YEAR HISTORICAL DATA

Show amounts in whole dollars only, no cents; show percentages to one decimal place, i.e., 17.6

	1 2017	2 2016	3 2015	4 2014	5 2013
Gross Premiums Written (Page 8, Part 1B, Columns 1, 2 & 3)					
1. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	5,191,181	5,097,353	5,307,287	7,759,896	9,327,216
2. Property Lines (Lines 1, 2, 9, 12, 21, & 26)	5,103,436	4,943,405	5,244,365	8,169,760	9,990,426
3. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	11,845,702	17,400,978	18,330,758	24,760,437	26,335,988
4. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
5. Nonproportional Reinsurance Lines (Lines 31, 32, & 33)				(23,434)	190,222
6. TOTAL (Line 35)	22,140,319	27,441,736	28,882,410	40,666,659	45,843,852
Net Premiums Written (Page 8, Part 1B, Column 6)					
7. Liability Lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	5,145,754	4,787,439	4,575,536	4,342,785	4,473,670
8. Property Lines (Lines 1, 2, 9, 12, 21 & 26)	5,103,680	4,686,044	4,452,220	4,304,503	4,031,511
9. Property and Liability Combined Lines (Lines 3, 4, 5, 8, 22 & 27)	11,885,272	11,164,951	10,820,382	10,388,420	9,389,304
10. All Other Lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
11. Non-proportional Reinsurance Lines (Lines 31, 32 & 33)				(23,434)	190,222
12. TOTAL (Line 35)	22,134,706	20,638,434	19,848,138	19,012,274	18,084,707
Statement of Income (Page 4)					
13. Net underwriting gain or (loss) (Line 8)	644,187	2,548,912	2,328,830	1,308,740	(1,966,914)
14. Net investment gain or (loss) (Line 11)	852,222	333,648	209,367	591,844	895,395
15. TOTAL other income (Line 15)	54,296	24,054	32,069	73,659	(779,908)
16. Dividends to policyholders (Line 17)					
17. Federal and foreign income taxes incurred (Line 19)	(136,764)	50,481	40,241	31,802	
18. Net income (Line 20)	1,687,469	2,856,133	2,530,025	1,942,441	(1,851,427)
Balance Sheet Lines (Pages 2 and 3)					
19. TOTAL admitted assets excluding protected cell business (Page 2, Line 26, Col. 3)	45,032,979	40,725,966	37,784,804	35,993,867	35,596,772
20. Premiums and considerations (Page 2, Column 3)					
20.1 In course of collection (Line 15.1)	5,609,827	6,073,748	6,136,865	6,807,440	7,518,641
20.2 Deferred and not yet due (Line 15.2)					
20.3 Accrued retrospective premiums (Line 15.3)					
21. TOTAL liabilities excluding protected cell business (Page 3, Line 26)	26,288,511	23,958,752	23,288,100	24,317,427	26,019,622
22. Losses (Page 3, Line 1)	6,353,410	5,413,625	5,351,942	4,951,860	5,016,481
23. Loss adjustment expenses (Page 3, Line 3)	1,161,881	1,038,890	1,053,896	973,830	924,150
24. Unearned premiums (Page 3, Line 9)	9,203,901	8,575,178	8,264,175	7,950,260	7,601,069
25. Capital paid up (Page 3, Lines 30 & 31)					
26. Surplus as regards policyholders (Page 3, Line 37)	18,744,468	16,767,214	14,496,704	11,676,440	9,577,150
Cash Flow (Page 5)					
27. Net cash from operations (Line 11)	2,673,757	4,278,416	3,892,337	2,074,091	(4,135,789)
Risk-Based Capital Analysis					
28. TOTAL adjusted capital	18,744,468	16,767,214	14,496,704	11,676,440	9,577,150
29. Authorized control level risk-based capital	1,491,229	1,331,560	1,280,923	1,144,561	1,888,987
Percentage Distribution of Cash, Cash Equivalents and Invested Assets (Page 2, Column 3)					
(Item divided by Page 2, Line 12, Column 3) x 100.0					
30. Bonds (Line 1)	68.4	60.2	61.4	42.5	34.5
31. Stocks (Lines 2.1 & 2.2)	22.7	23.3	23.2	22.0	32.8
32. Mortgage loans on real estate (Lines 3.1 and 3.2)					
33. Real estate (Lines 4.1, 4.2 & 4.3)	3.3	3.9	4.8	5.9	7.5
34. Cash, cash equivalents and short-term investments (Line 5)	5.6	12.6	10.7	29.6	25.2
35. Contract loans (Line 6)					
36. Derivatives (Line 7)					
37. Other invested assets (Line 8)					
38. Receivables for securities (Line 9)					
39. Securities lending reinvested collateral assets (Line 10)					
40. Aggregate write-ins for invested assets (Line 11)					
41. Cash, cash equivalents and invested assets (Line 12)	100.0	100.0	100.0	100.0	100.0
Investments in Parent, Subsidiaries and Affiliates					
42. Affiliated bonds, (Schedule D, Summary, Line 12, Column 1)					
43. Affiliated preferred stocks (Schedule D, Summary, Line 18, Column 1)					
44. Affiliated common stocks (Schedule D, Summary, Line 24, Column 1)					
45. Affiliated short-term investments (subtotals included in Schedule DA Verification, Column 5, Line 10)					
46. Affiliated mortgage loans on real estate					
47. All other affiliated					
48. TOTAL of above Lines 42 to 47					
49. TOTAL investment in parent included in Lines 42 to 47 above					
50. Percentage of investments in parent, subsidiaries and affiliates to surplus as regards policyholders (Line 48 above divided by Page 3, Column 1, Line 37 x 100.0)					

FIVE - YEAR HISTORICAL DATA (Continued)

	1 2017	2 2016	3 2015	4 2014	5 2013
Capital and Surplus Accounts (Page 4)					
51. Net unrealized capital gains or (Losses) (Line 24)	862,673	267,820	10,882	(234,697)	(92,192)
52. Dividends to stockholders (Line 35)					
53. Change in surplus as regards policyholders for the year (Line 38)	1,977,254	2,270,510	2,820,264	2,099,290	(199,944)
Gross Losses Paid (Page 9, Part 2, Columns 1 and 2)					
54. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	3,037,695	3,606,106	3,609,779	6,588,041	4,761,629
55. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,948,608	2,607,912	2,872,943	5,008,396	4,574,542
56. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	7,190,403	7,409,213	9,849,824	14,152,774	14,911,059
57. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30 & 34)					
58. Nonproportional reinsurance lines (Lines 31, 32 & 33)			360	23,390	263,200
59. TOTAL (Line 35)	13,176,706	13,623,231	16,332,906	25,772,601	24,510,430
Net Losses Paid (Page 9, Part 2, Column 4)					
60. Liability lines (Lines 11.1, 11.2, 16, 17.1, 17.2, 17.3, 18.1, 18.2, 19.1, 19.2 & 19.3, 19.4)	2,828,074	2,719,314	2,455,834	2,792,336	3,330,445
61. Property lines (Lines 1, 2, 9, 12, 21 & 26)	2,890,650	2,534,050	2,548,787	2,641,876	2,337,198
62. Property and liability combined lines (Lines 3, 4, 5, 8, 22, & 27)	6,396,090	5,356,095	4,785,055	5,391,368	6,197,530
63. All other lines (Lines 6, 10, 13, 14, 15, 23, 24, 28, 29, 30, & 34)					
64. Nonproportional reinsurance lines (Lines 31, 32 & 33)			360	23,390	263,200
65. TOTAL (Line 35)	12,114,814	10,609,459	9,790,036	10,848,970	12,128,373
Operating Percentages (Page 4)					
(Item divided by Page 4, Line 1) x 100.0					
66. Premiums earned (Line 1)	100.0	100.0	100.0	100.0	100.0
67. Losses incurred (Line 2)	60.7	52.5	52.2	57.8	63.7
68. Loss expenses incurred (Line 3)	7.8	6.9	7.4	6.9	8.9
69. Other underwriting expenses incurred (Line 4)	28.5	28.1	28.5	28.3	37.6
70. Net underwriting gain (loss) (Line 8)	3.0	12.5	11.9	7.0	(10.1)
Other Percentages					
71. Other underwriting expenses to net premiums written (Page 4, Lines 4 + 5 - 15 divided by Page 8, Part 1B, Column 6, Line 35 x 100.0)	27.4	27.6	27.9	27.4	44.7
72. Losses and loss expenses incurred to premiums earned (Page 4, Lines 2 + 3 divided by Page 4, Line 1 x 100.0)	68.5	59.4	59.5	64.7	72.5
73. Net premiums written to policyholders' surplus (Page 8, Part 1B, Column 6, Line 35 divided by Page 3, Line 37, Column 1 x 100.0)	118.1	123.1	136.9	162.8	188.8
One Year Loss Development (\$000 omitted)					
74. Development in estimated losses and loss expenses incurred prior to current year (Schedule P, Part 2 - Summary, Line 12, Column 11)	(284)	(301)	179	112	49
75. Percent of development of losses and loss expenses incurred to policyholders' surplus of prior year end (Line 74 above divided by Page 4, Line 21, Column 1 x 100.0)	(1.7)	(2.1)	1.5	1.2	0.5
Two Year Loss Development (\$000 omitted)					
76. Development in estimated losses and loss expenses incurred 2 years before the current year and prior year (Schedule P, Part 2 - Summary, Line 12, Column 12)	(453)	93	104	15	77
77. Percent of development of losses and loss expenses incurred to reported policyholders' surplus of second prior year end (Line 76 above divided by Page 4, Line 21, Column 2 x 100.0)	(3.1)	0.8	1.1	0.2	0.7

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3 - Accounting Changes and Correction of Errors? Yes[] No[] N/A[X]

If no, please explain:

SCHEDULE P - ANALYSIS OF LOSSES AND LOSS EXPENSES

SCHEDULE P - PART 1 - SUMMARY

(\$000 omitted)

Years in Which Premiums Were Earned and Losses Were Incurred	Premiums Earned			Loss and Loss Expense Payments								12 Number of Claims Reported - Direct and Assumed	
	1 Direct and Assumed	2 Ceded	3 Net (Columns 1 - 2)	Loss Payments		Defense and Cost Containment Payments		Adjusting and Other Payments		10 Salvage and Subrogation Received	11 Total Net Paid (Columns 4 - 5 + 6 - 7 + 8 - 9)		
				4 Direct and Assumed	5 Ceded	6 Direct and Assumed	7 Ceded	8 Direct and Assumed	9 Ceded				
1. Prior	XXX	XXX	XXX	2	1	7					8	XXX	
2. 2008	12,907	982	11,925	7,393	974	138		683	2	258	7,238	XXX	
3. 2009	13,481	1,088	12,393	7,611	621	167	4	698	2	246	7,849	XXX	
4. 2010	14,241	1,093	13,148	8,068	564	134		738		282	8,376	XXX	
5. 2011	16,101	2,057	14,044	11,290	1,810	276	2	940	1	345	10,693	XXX	
6. 2012	17,085	2,747	14,338	12,429	3,926	230	18	1,066	146	390	9,635	XXX	
7. 2013	18,398	1,925	16,473	11,247	1,067	298	17	980	10	403	11,431	XXX	
8. 2014	19,782	1,118	18,664	11,136	571	289		1,024	5	589	11,873	XXX	
9. 2015	20,605	1,072	19,533	9,645	370	185		1,001	3	485	10,458	XXX	
10. 2016	21,418	1,089	20,329	10,564	735	134	1	1,025	2	411	10,985	XXX	
11. 2017	22,633	1,128	21,505	9,757	185	101		985		285	10,658	XXX	
12. Totals	XXX	XXX	XXX	99,142	10,824	1,959	42	9,140	171	3,694	99,204	XXX	

	Losses Unpaid				Defense and Cost Containment Unpaid				Adjusting and Other Unpaid		23 Salvage and Subrogation Anticipated	24 Total Net Losses and Expenses Unpaid	25 Number of Claims Outstanding Direct and Assumed				
	Case Basis		Bulk + IBNR		Case Basis		Bulk + IBNR										
	13	14	15	16	17	18	19	20	21	22							
	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded	Direct and Assumed	Ceded							
1. Prior	19		6	1			2		1				27	XXX			
2. 2008			1										1	XXX			
3. 2009			1										1	XXX			
4. 2010	3		3										6	XXX			
5. 2011	46		15	5			5						2	XXX			
6. 2012	168	49	48	9			14						2	188			
7. 2013	191	14	49	16			17						18	XXX			
8. 2014	282	11	73	21			30						29	XXX			
9. 2015	550	24	144	41			52						49	739			
10. 2016	1,453	512	249	67			91						113	XXX			
11. 2017	3,361	172	790	150			308						443	4,533			
12. Totals	6,073	782	1,379	310			519						656	7,525			

	Total Losses and Loss Expenses Incurred			Loss and Loss Expense Percentage (Incurred/Premiums Earned)			Nontabular Discount		34 Inter-Company Pooling Participation Percentage	Net Balance Sheet Reserves After Discount		
	26 Direct and Assumed	27 Ceded	28 Net	29 Direct and Assumed	30 Ceded	31 Net	32 Loss	33 Loss Expense		35 Losses Unpaid	36 Loss Expenses Unpaid	
1. Prior	XXX	XXX	XXX	XXX	XXX	XXX				XXX	24	
2. 2008	8,215	976	7,239	63.6	99.4	60.7				15.0	1	
3. 2009	8,477	627	7,850	62.9	57.6	63.3				15.0	1	
4. 2010	8,946	564	8,382	62.8	51.6	63.8				15.0	6	
5. 2011	12,578	1,818	10,760	78.1	88.4	76.6				15.0	56	
6. 2012	13,971	4,148	9,823	81.8	151.0	68.5				15.0	158	
7. 2013	12,803	1,124	11,679	69.6	58.4	70.9				15.0	210	
8. 2014	12,866	608	12,258	65.0	54.4	65.7				15.0	323	
9. 2015	11,635	438	11,197	56.5	40.9	57.3				15.0	629	
10. 2016	13,632	1,317	12,315	63.6	120.9	60.6				15.0	1,123	
11. 2017	15,698	507	15,191	69.4	44.9	70.6				15.0	3,829	
12. Totals	XXX	XXX	XXX	XXX	XXX	XXX				XXX	6,360	
											1,165	

Note: Parts 2 and 4 are gross of all discounting, including tabular discounting. Part 1 is gross of only nontabular discounting, which is reported in Columns 32 and 33 of Part 1. The tabular discount, if any, is reported in the Notes to Financial Statements which will reconcile Part 1 with Parts 2 and 4.

ANNUAL STATEMENT FOR THE YEAR 2017 OF THE **GERMAN MUTUAL INSURANCE COMPANY**
SCHEDULE P - PART 2 - SUMMARY

Years in Which Losses Were Incurred	INCURRED NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										DEVELOPMENT	
	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017	11 One Year	12 Two Year
1. Prior	(9,893)	(9,816)	(9,953)	(10,045)	(9,955)	(9,993)	(9,983)	(9,995)	(9,994)	(9,987)	7	8
2. 2008	6,564	6,557	6,614	6,634	6,591	6,560	6,554	6,559	6,557	6,558	1	(1)
3. 2009	XXX	7,467	7,250	7,200	7,224	7,196	7,149	7,149	7,153	7,154	1	5
4. 2010	XXX	XXX	7,849	7,792	7,852	7,775	7,754	7,719	7,652	7,644	(8)	(75)
5. 2011	XXX	XXX	XXX	XXX	9,724	9,730	9,844	9,904	9,870	9,878	9,815	(63)
6. 2012	XXX	XXX	XXX	XXX	XXX	8,917	9,026	8,996	8,890	8,884	8,887	3
7. 2013	XXX	XXX	XXX	XXX	XXX	XXX	10,537	10,683	10,857	10,697	10,688	(9)
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,957	11,144	11,280	11,207	(73)
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	10,367	10,152	10,141	(11)
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	11,308	11,176	(132)
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	13,810	XXX	XXX
12. TOTALS											(284)	(453)

SCHEDULE P - PART 3 - SUMMARY

Years in Which Losses Were Incurred	CUMULATIVE PAID NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)										11 Number of Claims Closed With Loss Payment	12 Number of Claims Closed Without Loss Payment
	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017		
1. Prior	000	1,464	1,989	(10,320)	(10,049)	(10,060)	(10,039)	(10,020)	(10,021)	(10,013)	XXX	XXX
2. 2008	7,195	8,890	9,824	6,442	6,479	6,513	6,553	6,557	6,557	6,557	XXX	XXX
3. 2009	XXX	7,718	9,208	6,714	6,963	7,063	7,117	7,134	7,153	7,153	XXX	XXX
4. 2010	XXX	XXX	XXX	9,718	7,011	7,441	7,598	7,615	7,630	7,632	XXX	XXX
5. 2011	XXX	XXX	XXX	XXX	7,438	8,839	9,206	9,459	9,600	9,703	9,754	XXX
6. 2012	XXX	XXX	XXX	XXX	XXX	6,240	7,883	8,418	8,568	8,650	8,715	XXX
7. 2013	XXX	XXX	XXX	XXX	XXX	XXX	7,390	9,337	9,872	10,228	10,461	XXX
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,202	9,968	10,531	10,854	XXX
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	7,461	9,002	9,460	XXX
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	8,282	9,962	XXX
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	9,673	XXX	XXX

SCHEDULE P - PART 4 - SUMMARY

Years in Which Losses Were Incurred	BULK AND IBNR RESERVES ON NET LOSSES AND DEFENSE AND COST CONTAINMENT EXPENSES REPORTED AT YEAR END (\$000 OMITTED)									
	1 2008	2 2009	3 2010	4 2011	5 2012	6 2013	7 2014	8 2015	9 2016	10 2017
1. Prior	278	147	105	50	1	12	13	4	7	7
2. 2008	1,169	271	48	30	12	8		1		1
3. 2009	XXX	1,014	192	44	11	28	8	4		1
4. 2010	XXX	XXX	1,021	260	58	44	36	24	6	3
5. 2011	XXX	XXX	XXX	1,129	316	133	105	65	48	15
6. 2012	XXX	XXX	XXX	XXX	889	248	141	84	63	53
7. 2013	XXX	XXX	XXX	XXX	XXX	612	329	253	138	50
8. 2014	XXX	XXX	XXX	XXX	XXX	XXX	613	283	199	82
9. 2015	XXX	XXX	XXX	XXX	XXX	XXX	XXX	669	287	155
10. 2016	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	683	273
11. 2017	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	948

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN
ALLOCATED BY STATES AND TERRITORIES**

States, Etc.	Active Status	1 Gross Premiums, Including Policy and Membership Fees Less Return Premiums and Premiums on Policies Not Taken		4 Dividends Paid or Credited to Policyholders on Direct Business	5 Direct Losses Paid (Deducting Salvage)	6 Direct Losses Incurred	7 Direct Losses Unpaid	8 Finance and Service Charges Not Included in Premiums	9 Direct Premium Written for Federal Purchasing Groups (Included in Column 2)
		2 Direct Premiums Written	3 Direct Premiums Earned						
1. Alabama (AL)	N								
2. Alaska (AK)	N								
3. Arizona (AZ)	N								
4. Arkansas (AR)	N								
5. California (CA)	N								
6. Colorado (CO)	N								
7. Connecticut (CT)	N								
8. Delaware (DE)	N								
9. District of Columbia (DC)	N								
10. Florida (FL)	N								
11. Georgia (GA)	N								
12. Hawaii (HI)	N								
13. Idaho (ID)	N								
14. Illinois (IL)	N								
15. Indiana (IN)	N								
16. Iowa (IA)	N								
17. Kansas (KS)	N								
18. Kentucky (KY)	N								
19. Louisiana (LA)	N								
20. Maine (ME)	N								
21. Maryland (MD)	N								
22. Massachusetts (MA)	N								
23. Michigan (MI)	N								
24. Minnesota (MN)	N								
25. Mississippi (MS)	N								
26. Missouri (MO)	N								
27. Montana (MT)	N								
28. Nebraska (NE)	N								
29. Nevada (NV)	N								
30. New Hampshire (NH)	N								
31. New Jersey (NJ)	N								
32. New Mexico (NM)	N								
33. New York (NY)	N								
34. North Carolina (NC)	N								
35. North Dakota (ND)	N								
36. Ohio (OH)	L	(40,177)	2,817,907		996,268	(369,178)	1,114,246	4,649	
37. Oklahoma (OK)	N								
38. Oregon (OR)	N								
39. Pennsylvania (PA)	N								
40. Rhode Island (RI)	N								
41. South Carolina (SC)	N								
42. South Dakota (SD)	N								
43. Tennessee (TN)	N								
44. Texas (TX)	N								
45. Utah (UT)	N								
46. Vermont (VT)	N								
47. Virginia (VA)	N								
48. Washington (WA)	N								
49. West Virginia (WV)	N								
50. Wisconsin (WI)	N								
51. Wyoming (WY)	N								
52. American Samoa (AS)	N								
53. Guam (GU)	N								
54. Puerto Rico (PR)	N								
55. U.S. Virgin Islands (VI)	N								
56. Northern Mariana Islands (MP)	N								
57. Canada (CAN)	N								
58. Aggregate other alien (OT)	X X X								
59. TOTALS	(a) 1	(40,177)	2,817,907		996,268	(369,178)	1,114,246	4,649	

DETAILS OF WRITE-INS

58001.	X X X								
58002.	X X X								
58003.	X X X								
58998. Summary of remaining write-ins for Line 58 from overflow page	X X X								
58999. TOTALS (Lines 58001 through 58003 plus 58998) (Line 58 above)	X X X								

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state (other than their state of domicile - see DSLI); (D) DSLI - Domestic Surplus LinesInsurer (DSLI) - Reporting Entities authorized to write Surplus Lines in the state of domicile; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of D and L responses except for Canada and Other Alien.

Explanation of basis of allocation of premiums by states, etc.: Actual premiums are allocated to the states based on the location of the risk. German Mutual only writes business located in Ohio.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

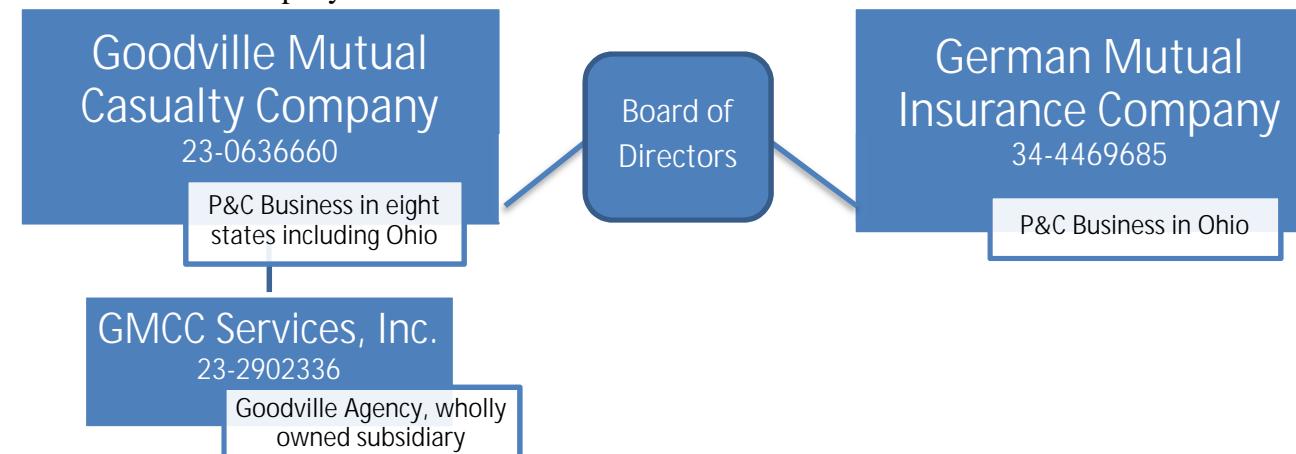
Goodville Mutual Casualty Company affiliated with German Mutual Insurance Company on July 1, 2013 and the two companies currently operate under common management and boards of directors.

GMCC Services Inc. is a currently inactive wholly owned subsidiary of Goodville Mutual Casualty Company.

The reporting company is a Mutual Company with no single person(s) (that includes natural person) deemed to be an ultimate controlling person.

ORGANIZATIONAL LISTING:

1. NAIC Group Code – 4787
2. Group Name – Goodville and German Mutual Group
3. NAIC Company Code – 17884
4. State of Domicile – Ohio
5. FEI Number – 34-4469685
6. Name of Company – German Mutual Insurance Company
7. Organizational Chart:



INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Assets	2
Cash Flow	5
Exhibit of Capital Gains (Losses)	12
Exhibit of Net Investment Income	12
Exhibit of Nonadmitted Assets	13
Exhibit of Premiums and Losses (State Page)	19
Five-Year Historical Data	17
General Interrogatories	15
Jurat Page	1
Liabilities, Surplus and Other Funds	3
Notes To Financial Statements	14
Overflow Page for Write-ins	100
Schedule A - Part 1	E01
Schedule A - Part 2	E02
Schedule A - Part 3	E03
Schedule A - Verification Between Years	SI02
Schedule B - Part 1	E04
Schedule B - Part 2	E05
Schedule B - Part 3	E06
Schedule B - Verification Between Years	SI02
Schedule BA - Part 1	E07
Schedule BA - Part 2	E08
Schedule BA - Part 3	E09
Schedule BA - Verification Between Years	SI03
Schedule D - Part 1	E10
Schedule D - Part 1A - Section 1	SI05
Schedule D - Part 1A - Section 2	SI08
Schedule D - Part 2 - Section 1	E11
Schedule D - Part 2 - Section 2	E12
Schedule D - Part 3	E13
Schedule D - Part 4	E14
Schedule D - Part 5	E15
Schedule D - Part 6 - Section 1	E16
Schedule D - Part 6 - Section 2	E16
Schedule D - Summary By Country	SI04
Schedule D - Verification Between Years	SI03
Schedule DA - Part 1	E17
Schedule DA - Verification Between Years	SI10
Schedule DB - Part A - Section 1	E18
Schedule DB - Part A - Section 2	E19
Schedule DB - Part A - Verification Between Years	SI11
Schedule DB - Part B - Section 1	E20
Schedule DB - Part B - Section 2	E21
Schedule DB - Part B - Verification Between Years	SI11
Schedule DB - Part C - Section 1	SI12
Schedule DB - Part C - Section 2	SI13
Schedule DB - Part D - Section 1	E22
Schedule DB - Part D - Section 2	E23
Schedule DB - Verification	SI14
Schedule DL - Part 1	E24
Schedule DL - Part 2	E25
Schedule E - Part 1 - Cash	E26
Schedule E - Part 2 - Cash Equivalents	E27
Schedule E - Part 3 - Special Deposits	E28
Schedule E - Verification Between Years	SI15
Schedule F - Part 1	20
Schedule F - Part 2	21
Schedule F - Part 3	22
Schedule F - Part 4	23
Schedule F - Part 5	24

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Schedule F - Part 6 - Section 1	25
Schedule F - Part 6 - Section 2	26
Schedule F - Part 7	27
Schedule F - Part 8	28
Schedule F - Part 9	29
Schedule H - Accident and Health Exhibit - Part 1	30
Schedule H - Parts 2, 3, and 4	31
Schedule H - Part 5 - Health Claims	32
Schedule P - Part 1 - Summary	33
Schedule P - Part 1A - Homeowners/Farmowners	35
Schedule P - Part 1B - Private Passenger Auto Liability/Medical	36
Schedule P - Part 1C - Commercial Auto/Truck Liability/Medical	37
Schedule P - Part 1D - Workers' Compensation (Excluding Excess Workers' Compensation)	38
Schedule P - Part 1E - Commercial Multiple Peril	39
Schedule P - Part 1F - Section 1 - Medical Professional Liability - Occurrence	40
Schedule P - Part 1F - Section 2 - Medical Professional Liability - Claims-Made	41
Schedule P - Part 1G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	42
Schedule P - Part 1H - Section 1 - Other Liability - Occurrence	43
Schedule P - Part 1H - Section 2 - Other Liability - Claims-Made	44
Schedule P - Part 1I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary & Theft)	45
Schedule P - Part 1J - Auto Physical Damage	46
Schedule P - Part 1K - Fidelity/Surety	47
Schedule P - Part 1L - Other (Including Credit, Accident and Health)	48
Schedule P - Part 1M - International	49
Schedule P - Part 1N - Reinsurance - Nonproportional Assumed Property	50
Schedule P - Part 1O - Reinsurance - Nonproportional Assumed Liability	51
Schedule P - Part 1P - Reinsurance - Nonproportional Assumed Financial Lines	52
Schedule P - Part 1R - Section 1 - Products Liability - Occurrence	53
Schedule P - Part 1R - Section 2 - Products Liability - Claims-Made	54
Schedule P - Part 1S - Financial Guaranty/Mortgage Guaranty	55
Schedule P - Part 1T - Warranty	56
Schedule P - Part 2, Part 3 and Part 4 - Summary	34
Schedule P - Part 2A - Homeowners/Farmowners	57
Schedule P - Part 2B - Private Passenger Auto Liability/Medical	57
Schedule P - Part 2C - Commercial Auto/Truck Liability/Medical	57
Schedule P - Part 2D - Workers' Compensation (Excluding Excess Workers' Compensation)	57
Schedule P - Part 2E - Commercial Multiple Peril	57
Schedule P - Part 2F - Section 1 - Medical Professional Liability - Occurrence	58
Schedule P - Part 2F - Section 2 - Medical Professional Liability - Claims-Made	58
Schedule P - Part 2G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	58
Schedule P - Part 2H - Section 1 - Other Liability - Occurrence	58
Schedule P - Part 2H - Section 2 - Other Liability - Claims - Made	58
Schedule P - Part 2I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	59
Schedule P - Part 2J - Auto Physical Damage	59
Schedule P - Part 2K - Fidelity, Surety	59
Schedule P - Part 2L - Other (Including Credit, Accident and Health)	59
Schedule P - Part 2M - International	59
Schedule P - Part 2N - Reinsurance - Nonproportional Assumed Property	60
Schedule P - Part 2O - Reinsurance - Nonproportional Assumed Liability	60
Schedule P - Part 2P - Reinsurance - Nonproportional Assumed Financial Lines	60
Schedule P - Part 2R - Section 1 - Products Liability - Occurrence	61
Schedule P - Part 2R - Section 2 - Products Liability - Claims-Made	61
Schedule P - Part 2S - Financial Guaranty/Mortgage Guaranty	61
Schedule P - Part 2T - Warranty	61
Schedule P - Part 3A - Homeowners/Farmowners	62
Schedule P - Part 3B - Private Passenger Auto Liability/Medical	62
Schedule P - Part 3C - Commercial Auto/Truck Liability/Medical	62
Schedule P - Part 3D - Workers' Compensation (Excluding Excess Workers' Compensation)	62
Schedule P - Part 3E - Commercial Multiple Peril	62
Schedule P - Part 3F - Section 1 - Medical Professional Liability - Occurrence	63
Schedule P - Part 3F - Section 2 - Medical Professional Liability - Claims-Made	63
Schedule P - Part 3G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	63
Schedule P - Part 3H - Section 1 - Other Liability - Occurrence	63
Schedule P - Part 3H - Section 2 - Other Liability - Claims-Made	63

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Schedule P - Part 3I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary, and Theft)	64
Schedule P - Part 3J - Auto Physical Damage	64
Schedule P - Part 3K - Fidelity/Surety	64
Schedule P - Part 3L - Other (Including Credit, Accident and Health)	64
Schedule P - Part 3M - International	64
Schedule P - Part 3N - Reinsurance - Nonproportional Assumed Property	65
Schedule P - Part 3O - Reinsurance - Nonproportional Assumed Liability	65
Schedule P - Part 3P - Reinsurance - Nonproportional Assumed Financial Lines	65
Schedule P - Part 3R - Section 1 - Products Liability - Occurrence	66
Schedule P - Part 3R - Section 2 - Products Liability - Claims-Made	66
Schedule P - Part 3S - Financial Guaranty/Mortgage Guaranty	66
Schedule P - Part 3T - Warranty	66
Schedule P - Part 4A - Homeowners/Farmowners	67
Schedule P - Part 4B - Private Passenger Auto Liability/Medical	67
Schedule P - Part 4C - Commercial Auto/Truck Liability/Medical	67
Schedule P - Part 4D Workers' Compensation (Excluding Excess Workers' Compensation)	67
Schedule P - Part 4E - Commercial Multiple Peril	67
Schedule P - Part 4F - Section 1 - Medical Professional Liability - Occurrence	68
Schedule P - Part 4F - Section 2 - Medical Professional Liability - Claims-Made	68
Schedule P - Part 4G - Special Liability (Ocean Marine, Aircraft (All Perils), Boiler and Machinery)	68
Schedule P - Part 4H - Section 1 - Other Liability - Occurrence	68
Schedule P - Part 4H - Section 2 - Other Liability - Claims-Made	68
Schedule P - Part 4I - Special Property (Fire, Allied Lines, Inland Marine, Earthquake, Burglary and Theft)	69
Schedule P - Part 4J - Auto Physical Damage	69
Schedule P - Part 4K - Fidelity/Surety	69
Schedule P - Part 4L - Other (Including Credit, Accident and Health)	69
Schedule P - Part 4M - International	69
Schedule P - Part 4N - Reinsurance - Nonproportional Assumed Property	70
Schedule P - Part 4O - Reinsurance - Nonproportional Assumed Liability	70
Schedule P - Part 4P - Reinsurance - Nonproportional Assumed Financial Lines	70
Schedule P - Part 4R - Section 1 - Products Liability - Occurrence	71
Schedule P - Part 4R - Section 2 - Products Liability - Claims-Made	71
Schedule P - Part 4S - Financial Guaranty/Mortgage Guaranty	71
Schedule P - Part 4T - Warranty	71
Schedule P - Part 5A - Homeowners/Farmowners	72
Schedule P - Part 5B - Private Passenger Auto Liability/Medical	73
Schedule P - Part 5C - Commercial Auto/Truck Liability/Medical	74
Schedule P - Part 5D - Workers' Compensation (Excluding Excess Worker' Compensation)	75
Schedule P - Part 5E - Commercial Multiple Peril	76
Schedule P - Part 5F - Medical Professional Liability - Claims-Made	78
Schedule P - Part 5F - Medical Professional Liability - Occurrence	77
Schedule P - Part 5H - Other Liability - Claims-Made	80
Schedule P - Part 5H - Other Liability - Occurrence	79
Schedule P - Part 5R - Products Liability - Claims-Made	82
Schedule P - Part 5R - Products Liability - Occurrence	81
Schedule P - Part 5T - Warranty	83
Schedule P - Part 6C - Commercial Auto/Truck Liability/Medical	84
Schedule P - Part 6D - Workers' Compensation (Excluding Excess Workers' Compensation)	84
Schedule P - Part 6E - Commercial Multiple Peril	85
Schedule P - Part 6H - Other Liability - Claims-Made	86
Schedule P - Part 6H - Other Liability - Occurrence	85
Schedule P - Part 6M - International	86
Schedule P - Part 6N - Reinsurance - Nonproportional Assumed Property	87
Schedule P - Part 6O - Reinsurance - Nonproportional Assumed Liability	87
Schedule P - Part 6R - Products Liability - Claims-Made	88
Schedule P - Part 6R - Products Liability - Occurrence	88
Schedule P - Part 7A - Primary Loss Sensitive Contracts	89
Schedule P - Part 7B - Reinsurance Loss Sensitive Contracts	91
Schedule P Interrogatories	93
Schedule T - Exhibit of Premiums Written	94
Schedule T - Part 2 - Interstate Compact	95

INDEX TO PROPERTY & CASUALTY ANNUAL STATEMENT

Schedule Y - Part 1 - Information Concerning Activities of Insurer Members of a Holding Company Group	96
Schedule Y - Part 1A - Detail of Insurance Holding Company System	97
Schedule Y - Part 2 - Summary of Insurer's Transactions With Any Affiliates	98
Statement of Income	4
Summary Investment Schedule	SI01
Supplemental Exhibits and Schedules Interrogatories	99
Underwriting and Investment Exhibit Part 1	6
Underwriting and Investment Exhibit Part 1A	7
Underwriting and Investment Exhibit Part 1B	8
Underwriting and Investment Exhibit Part 2	9
Underwriting and Investment Exhibit Part 2A	10
Underwriting and Investment Exhibit Part 3	11